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THE UTILITY OF PAY TO A NAVAL OFFICER

T. O. NUTT

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THE UTILITY OF PAY TO A NAVAL OFFICER

by

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Bachelor of Science

1947

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A thesis submitted to the faculty of the School of Government, Business and International Affairs of the George Washington University in partial satisfaction of the requirement for the degree of Master of Business Administration

June 5, 1963

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PREFACE

This paper was prompted by my own somewhat varying attitudes toward a naval career in the past, and my challenge to sell a naval career to the junior officers with whom I work.

It was interesting for me to learn how my subjective judgments as an Ensign and later as a Lieutenant junior grade paralleled the rise and fall of the purchasing power of military pay just as the consumer price index galloped back and forth on it.

It is impossible for me to express the debt I owe to the many people who have provided assistance. Those to whom I owe special thanks: for stimulating me to action are Vice Admiral T. G. W. Settle, USN (Ret.), Senator Jack Miller, Mr. John Ford, Navy Times; Mr. Mark Bigel, and Lieutenant Mel Chapman, Bureau of Naval Personnel. For assistance in data processing: Major C. N. Dezer and Corporal K. V. Roberts, Marine Corps.

One seldom finds a friend, statistician and psychologist rolled into one individual as I found in Mr. Richard Potocko, who has unselfishly devoted twelve Saturdays assisting me. The sheer magnitude of what was done in data processing and statistical calculations would not have been possible without his efforts, not to

mention the guidance and advice.

To Dr. A. Rex Johnson, Director of the Navy Graduate Financial Management Program for broadening my horizons and directing me in this project I am especially grateful.

To my wife, Wynnona, for assistance and patience, and the inconveniences she and our children endured, I dedicate this paper.

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INTRODUCTION

There is probably no issue in the history of the United States that is as old and still is as badly handled as the issue of pay of the Armed Forces.

The issues and arguments are older than the country itself, the concepts as changing as the sciences of our times.

It can be safely said that "you don't get something for nothing." When the purchasing power of the Armed Services personnel does go down there is an increasing amount of "moon lighting". More time is taken off to perform services that would ordinarily be purchased, with resulting less service to the government. One finds an increase of worrying over personal finances with an attendant loss of efficiency on the job; also there is a higher rate of court martials which adds an increasing workload of administrative procedures, brig time, guards and citizens acquiring criminal records when they should be serving their country.

Is Congress asking for something for nothing? From the service side of the picture the answer is an obvious yes, to this writer. But, perhaps the services (Navy for the purpose of this thesis) are trying to maintain a quality of officers above the desires of the

Congress as well as the American people.

Undoubtedly almost every adult in the United States could make a long and vigorous defense of the need for high level intelligence and industriousness in military personnel. But, these same people would be hard put to advance an idea as to why the military should have comparable pay. Generally the idea of pay would be shrugged off with, "it's <u>their</u> patriotic duty."

This thesis is based on the premise that money is a prime factor for a naval officer in deciding whether or not he should be a career officer as he reaches the point of completing his obligated service.

Some authorities maintain that the junior officer, when he does look at money, thinks only of what he is getting today and will be getting in the immediate future. It is believed he does not look at today, thinks little of the immediate future, other than the basic need levels, or slightly higher, but makes his decision on income and living standards of Lieutenant Commanders and senior officers.

The hypothesis is the cause of the above situation. This is, Congress complains long and loud on the inability of the services to hold the junior officer and hence reduce the high cost of training new officers, not to mention poor administration of manpower and resources

due to the low experience level of the junior officers.[1]

It takes an officer about eight to ten years to develop the set of ideals (i.e., patriotism, esprit de corps, and dedication) that will permanently retain the career officer. Realizing this or not, Congress does know he can be bought at bargain basement rates, but not realizing, as a body at least, that this is what drives the junior officer out of the service. Thus, the expensive problem of retraining is created. This is far more costly than the higher pay rates in industry for proper management.

This paper will be presented in three parts, with the intent that each part can adequately demonstrate in its own theme the need for adequate military pay.

Part One will give historical background and highlight some of the issues and problems of the past. The deficit of military pay has been paid in prolonged conflicts and American lives, to which the American public has given tacit approval.

Part Two will demonstrate the problem in economics of today's wage standards.

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[1] U. S., Congress, House, Subcommittee No. 2 of the Committee of Armed Services, Career Incentive Act of 1955, 84th Cong., 1st Sess., Feb. 7, 1955, p. 558.

[1] U. S., Congress, House, Subcommittee No. 2 of the Committee on Armed Services. Hearing on Method of Computing Basic Pay, 85th Cong., 2d Sess., 1958, p. 5347.

Part Three will show by statistical analysis the psychological problem facing Congress, the Navy, and the officer himself in officer retention.

The figures of pay used throughout are basic pay and sea pay where applicable. This is not an attempt to discount allowances, but to open the door for one allowance opens the door for all. And for some allowances certain conditions must be fulfilled to qualify for them. The thought of Congress on allowances is that it agrees with the provision of dependents, but actually some allowances do not provide for dependents. Right here, with the junior officer, is where the problem lies. Inasmuch as the idea behind this paper is to study junior officer retention problems of top quality applicants, it is left to the reader to apply allowances to the case he has in mind.

This study is limited to naval officer pay. This author believes a more critical situation exists here than in any other area of the military with which he has a working knowledge. This problem goes much deeper than the mere personal problems of individual officers. Ideas will be discussed as this paper is developed.

In some instances the "facts" have been extremely difficult to identify, as different authors have reported differing dates and figures on what one would think of as commonplace public information. Then printing errors and

statements that appear to be a slip of the tongue have compounded the problem. If errors are noted in the citing of "facts" or documents in this paper it is hoped the reader will forgive with a kindly smile and look only to its theme.

The personal interest of this author on pay and retention arises from the basic fact he is a member of the United States Navy and is sharpened by some of the facets of his career.

While serving as an Ensign, this writer in 1949 met his wife who was employed by the Navy Department in Civil Service at a CAF 3 rating which is equal to the military pay grade E 2.[1] Her annual salary, prior to the Classification Act of 1949, with its subsequent pay raise in October of that year, was $2498.28 in step 1.[2] An Ensign's annual pay was $2160.[3]

Due to a belief that a decent married life was not possible on an Ensign's pay, a resignation was submitted and civilian life was resumed in July 1949. In October 1949, the Department of State offered the writer a position as a code clerk, with starting salary of $2800 per

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[1]U. S., Department of Defense, Table of Military-Civilian Relationships for Prisoner of War Identification Purposes, Defense Directive 1000.1, June 29, 1956.

[2]U. S., Civil Service Commission, Chart CSC 490, October 1962.

[3]U. S., Department of Defense, Career Compensation for the Uniformed Forces by Advisory Commission on Service Pay, (Hook Report), December 1948, p. 16.

annum. This was equivalent to a Lieutenant's pay, with six years longevity.[1]

With a recall to active duty in May 1951, as a Lieutenant junior grade, this writer married and during a two year tour had a second dependent. In May of 1953, when a departure was again made from active duty, pay vs expenses was the major consideration. An aside here, during this two year period, which was served on board the USS McGowan (DD 678), the time was spent at the following locations: San Diego 1 month; Long Beach 1 month; San Diego, 1 month; San Francisco, 2 months; at sea, 1 month; Newport, R. I., 2 months; Boston, 3 months; Newport, 1 month, Guantanamo, Cuba, 2 months; Newport, 1 month; world cruise, 7 months; Newport, 1 month.

Not many Lieutenants junior grade receiving a total of from $459 for three years service to $476 for six years service, (total pay and allowances) were staying in the service on this kind of schedule.

With the pay raise in 1955, the salary was considered liveable for a Lieutenant with three dependents. A return to the Navy for a career was made for a reason which is entirely foreign to many civilians and their conception of service life. In the U. S. Navy there are positions of responsibility for the officer to shoulder if he is man enough to do so. There is also a great deal

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[1] Ibid.

more personal and mental freedom than is offered by private corporations. However, individual interests in pay of the armed forces is more than a personal thing. On this hinges the quality and quantity of the junior officer input.

Even if there is time to mobilize a military force for a third world war, the regular establishment of today will be the hard core of tomorrow.

The figures used in pay scales which follow are those for a single officer on sea duty. It can be argued that allowances should be included, but even for the single man the subsistence allowance does not cover the added expense of sea duty.

To use the allowances for married men prescribes that an officer be married, and to quote the old saw, "They didn't issue you a wife with your sea bag."

The primary purpose is to present this paper, within its limited scope, on the young and highly intelligent officer's considerations, when he makes his decision to slip the lines and sail with the careerists; or secure, and as often as not, regretfully go "home."

With the thousands of pay situations in the Navy this presentation should provide the reader with the basic tools to complete the picture he visualizes.

PART I

BACKGROUND OF MILITARY PAY LEGISLATION

CHAPTER I

HISTORICAL BACKGROUND

From the conception of the United States of America pay of the armed forces has been a sore and trying problem for the leaders of this country and the military and naval commanders. George Washington wrote in 1778 about the loss of purchasing power of the Army pay.

> Our money is now sinking fifty per cent a day....while a great part of the officers of our army from absolute necessity are quitting the service, and the more virtuous few, rather than do this are sinking by sure degrees into beggarly and want.[1]

This statement by Washington probably sets the tone of the times, that every commission on pay studies and congressional hearing which preceded pay legislation, has had since the founding of the Army and Navy of the United States.

There is no attempt here to discuss military pay in total. Congress from the beginning has recognized service upon the sea as different from services by the land forces. Navy pay from 1826 until modern times provided a differential for sea duty. This has been due to the realization that the expenses are greater for an

---

[1] Thomas T. Tulipane, The Sociological Organization, Motivations, and Value Systems of the Armed Forces, (unpublished Master's thesis, Naval Financial Management Program, George Washington University, 1958), p. 7 quoting John C. Fitzpatrick (ed.) The Writings of George Washington, (Washington, D. C.: United States Printing Office, 1931) V, p. 200.

officer (or enlisted man) while serving away from his dependents.

A brief summary of pay schedules for the Navy from 1794 to 1826 is presented in Table 1 on the following page.

The unresolved problem of military pay highlights many of the saddest and most devastating points of American history. Little have the opponents of military pay realized the heartbreak they would reap for themselves, their families, friends, and common ancestors.

The watch word of today was said by Washington, "To be prepared for war is one of the most effective means for preserving peace."[1]

Lessons on military pay and preparedness which were so laboriously learned during the Revolution were forgotten long before the war of 1812, and unnecessary money, manpower, and resources had to be wasted to win a conflict which either shouldn't have taken place or should not have lasted so long.

In 1826, pay for Naval officers at sea was raised an average of twenty-five per cent over the 1798 pay rates. During these times prize money was a big incentive for remaining in the service between wars. In the 1830's hopes of prize money were fading for United States

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[1] Supra. 1, Tulipane, p. 13.

TABLE 1
PAY OF NAVAL OFFICERS 1794-1826

PAY OF 1794

	Annual Pay	Rations Per Day*
Captain	$900.00	6
Lieutenant	$480.00	3
Sailing Master	$480.00	2
Lieutenant of Marines	$312.00	2
Chaplain	$480.00	2
Surgeon	$600.00	2

PAY OF 1798

	Annual Pay	Rations Per Day*1
Commander	$900.00	6
Lieutenant	$480.00	3
Sailing Master	$240.00	2
Midshipman	$228.00	1
Surgeon	$600.00	2
Clerk Paywork	$300.00	2

PAY OF 1826 (Sea duty)

	Annual Pay	Rations Per Day*2
Captain, Commanding Squadron	$1200.00	16
Captain, Commanding a 32 gunship	$1200.00	8
Captain, Commanding a 20•32 gunship	$900.00	6
Master Commandant	$720.00	5
Lieutenant Commanding	$600.00	4
Lieutenant	$480.00	3
Sailing Master	$480.00	2
Midshipman	$228.00	1
Surgeon	$600.00	2
Chaplain	$480.00	2
Purser	$480.00	2

* Value of rations not known for 1794.
*1Value of rations - $.20 per day.
*2Value of rations - $.25 per day.

Naval officers and a new pay scale became necessary. In 1835, pay was tripled though the cost of living had remained fairly constant since 1826.[1]

The next pay increase came in 1860, with an increase of about ten per cent in pay and longevity (or time in service) made its first appearance in the pay scales. But it was not long lived; in 1862, a new bill was passed and all ranks received a pay cut except Lieutenant junior grade. The cut was on a sliding scale with a thousand dollars being taken from Commanders and twenty-five dollars from Lieutenants. This bill however, created three new ranks: Rear Admiral, Lieutenant Commander, and Ensign.

During the Civil War, the civilian wage scale and the cost of living index went up one hundred and seventy-seven per cent.[2] To help meet this situation Congress again authorized prize money and bounty payments.

The Civil War experience is a good example of the lack of preparedness which is evidenced by effective armed forces. Effective troops could probably have won the battle of Bull Run. The loss of life and devastation during the Civil War cost this country untold amounts when measured in progress.

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[1] U. S., Department of Labor, Bureau of Labor Statistics, Table 2, Consumer Price Index, 1800-1913.

[2] Ibid.

TABLE 2

Annual Pay which a Naval Officer on Sea Duty would have received under each of the Several Pay Laws since 1835 with Service as Indicated:

RANK	1835	1860	1862	1870	1899	1908	1920	1922	1942	1945	1949	1952	1955	1958
ADMIRAL			10,000	13,000[1]	13,500[2]	10,000	10,000	8,000	8,800	9,680	11,457	11,915	15,317	20,400
VICE ADMIRAL			7,000	9,000		9,000	9,000	8,000	8,800	9,680	11,457	11,915	14,117	18,000
REAR-ADMIRAL (lower half)			5,000	6,000	7,500 5,500	8,800 6,600	8,800 6,600	8,000 6,000	8,800 6,600	9,680 7,260	11,457 9,918	11,915 10,315	12,917 11,606	16,200 14,100
COMMODORE	4,500	5,000	4,000	5,000										
CAPTAIN (26 yr's. service)	4,000	4,200	3,500	4,500	4,500	5,500	6,100	5,600	6,160	6,776	7,937	8,358	9,360	11,820
COMMANDER (20 yr's. service)	2,500	3,150	2,800	3,500	4,000	4,950	5,550	4,550	5,050	5,511	6,327	6,580	7,301	8,940
LIEUTENANT COMMANDER (15 yr's. service)		2,550	2,343	3,000	3,250	4,290	5,130	3,950	4,125	4,538	5,301	5,513	6,178	6,840
LIEUTENANT (10 yr's. service)	1,800	1,900	1,875	2,600	2,160	3,168	3,388	2,760	3,036	3,491	4,446	4,624	5,242	5,760
LIEUTENANT (JUNIOR GRADE) (5 yr's. service)		1,200	1,500	2,000	1,650	2,420	3,020	2,200	2,310	3,049	3,335	3,468	4,025	4,440
ENSIGN (on entering)			1,200	1,200	1,400	1,870	2,290	1,500	1,980	2,376	2,565	2,668	2,668	2,668
No. of times a Lt.j.g. could expect his pay to multiply if and when he makes Captain		3.5	2.33	2.25										
Purchasing Power of Lt. j.g.'s salary					2.72	2.38	2.1	2.5	2.67	2.22	2.38	2.41	2.32	2.66
Purchasing Power of Capt.'s salary					5,700	7,125	4,340	3,750	4,060	5,550	4,000	3,750	4,325	4,440
Cost of Living Index 57-59= 100					15,500	16,400	8,740	9,075	10,750	10,800	9,520	9,000	10,000	11,820

1. The grade of "Admiral" ceased to exist with the death of Admiral David Porter in 1891.

2. For "Admiral of the Navy" which ceased to exist with the death of Admiral Dewey in 1917.

3. Ensign's pay was not used inasmuch as there has been no pay increase in the last ten years.

The pay increase of 1870 increased pay over the level of the 1860's, and while prices had retreated from Civil War highs, this raise did not cover the cost of living increase for the ten year period.

In 1876, two new introductions were made in service remuneration: 1. An eight cent per mile travel allowance which was to stand until 1949, when it was decreased. A period over which the consumer price index more than doubled.

The other new innovation was a retirement pay of seventy-five per cent of sea pay after forty-five years service. Previous to this, retirements had been only for those who were disabled or incapacitated. A stagnation of promotions had existed after the War of 1812 and was again present after the Civil War, when officers became Lieutenants at the age of nineteen and fifteen years later were still Lieutenants.[1]

The Spanish American War is another "good" example of stagnated military preparedness.

In 1899, the Navy and Army were put on the same pay scale. Naval officers on sea duty received the same pay as Army officers, but when assigned ashore, they received a decrease of fifteen per cent. Commutation and quarters allowances were provided for those

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[1] Fletcher Pratt, The Compact History of the United States Navy. (New York: Hawthorn Books, Inc., 1957), p. 177

assigned to shore duty.

The Pay Act of 13 May 1908, was to cover the increase in cost of living that had occured since 1899. The Act of 1908, provides much of the foundation of today's pay legislation. This act provided for a ten per cent pay increase for sea duty or foreign shore duty as opposed to the old method of less pay for shore duty. All this was prompted by the usual post war problem of letting military pay go unattended, and promotions stagnate, with the resulting exodus of an alarmingly high percentage of the better qualified young officers.

The 1908 pay raise is the last effective pay increase for the military in terms of purchasing power and standard of living. (See Table 2, page 13.)

In 1920, a temporary pay raise was passed to cover the increased cost of living which had doubled from the days of 1908. This pay increase was to expire in 1922. During the pay hearings preceding the Act of June 19, 1922, General Pershing, United States Army, made the following statement:

> As I stated before this committee before, I had more money as a second lieutenant than I have today, as a general....Officers with families were able to get along and educate their children on the pay in those days without being put to a very great financial strain. In these days it is a very difficult thing for officers who have families to meet the expenses.[1]

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[1] U. S., Congress, House, Special Committee on Readjustment of Service Pay, 1921, p. 103.

After General Pershing, Captain Phillip Williams, United States Navy, appeared before the committee and presented a statement part of which is as appropriate today as then:

> Naval administration and strategy require very frequent changes in the location of ships and personnel. This results in the personnel and their families constantly living in a transient state, and hence paying transient prices for all necessaries of life. It causes frequent hardship and expense, due to such matters as duplicating taxes, having to pay rent on unexpired leases after houses are vacated, inability to reduce rent by purchasing houses, special travel on account of family sickness and death, loss of and damage to household equipment incident to frequent handling, storage of household goods, etc. A hundred drains swell the expense of living a transient life.
> ....in addition other unusual expenses not common to civil life, such as higher insurance rates, the frequent need for maintaining an official position etc. Under many circumstances, especially abroad, the latter is a considerable burden which cannot be avoided except by lowering the prestige of the United States.
> ....Civilians everywhere demanded and received large increases of salary.[1]

Commander Lewis H. Porterfield, United States Navy, testified and one comment is particularly noteworthy for 1921 or 1963.

> Two years ago complaints were coming in by the hundreds from ships and stations that material was rapidly deteriorating, due to the lack of experienced men for upkeep and repairs.[2]

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[1] Ibid., p. 114.

[2] Ibid., p. 205.

The Pay Act of 1922 was passed during a period of lower prices when compared with 1920, and pay was cut and sea pay was withdrawn. This reduced pay below the 1908 level. However, prices hadn't fallen relatively. In fact the lowest price level of 1922 was 180 per cent of the 1908 price level. In 1923 the consumer price index started up and continued to climb until 1928.

Pay was temporarily cut during the depression and promotions came without pay. But, the military man's purchasing power was up, even with the pay cut, and he had dependability of income. With the exceptions of 1908, he was ahead of the game when compared to his civilian contemporaries for the first time in one hundred years. However, he had still lost ground when compared to his predecessors.

In 1942, pay was raised only slightly, and ten per cent for sea duty and foreign shore duty were restored.

CHAPTER II

POST WORLD WAR II

The Act of 29 June 1946, gave Ensigns and Lieutenants junior grade a twenty per cent increase; Lieutenants a fifteen per cent increase. Other pay grades were increased ten per cent. The cost of living from 1942 to 1946 had increased twenty per cent. This was the first pay increase for Lieutenants through Captains since 1922 and for flag rank officers since 1908.

In 1948, The Advisory Commission on Service Pay was formed with Mr. Charles R. Hook as chairman to study the pay situation.

The Hook Commission had several comments on basic pay including the following:

> A percentage increase based on the present scales would not correct existing inequities, nor would a cost-of-living adjustment be a proper solution.
> ....Responsibility increases along with grade, and the able man must be encouraged to seek this responsibility. Special pays now in existence, treated later in this report, produce added inequities and would further increase injustice, should a revision be made on a percentage basis.
> A cost-of-living increase in pay would, of necessity, be a percentage increase and a false solution to the problem because of the present unbalance of the pay structure.
> During the past 40 years there have been three major changes in the military pay scales for officers and four changes affecting enlisted personnel. Altogether, during this period, about a dozen revisions were enacted, including percentage decreases during the depression years. The basic principles of

the scale developed in 1908 were retained throughout, despite an attempt in 1922 to arrive at logical differences between grades and to correlate military with civilian pay for comparable responsibility. As of the end of World War II, therefore, the scale approved in 1946 continued many of the fundamental inequities. In addition, percentage increases over 1942 averaged about 12 per cent for officers, 15 to 20 per cent for the higher grades of enlisted personnel, and 50 per cent for the entry enlisted grade, further exaggerating the trend favoring enlisted personnel.

To be workable, a pay scale must have starting rates in each grade high enough to attract desirable personnel.
....Increases for length of service should provide a stimulus to do better work but should cease after a reasonable period of time so that a lower level of responsibility will not receive the pay of a higher level and thus remove the incentive of striving for promotion.
....Pay differentials between grades should be greater than in-grade increases.
....Increased leadership responsibility should have corresponding rewards.

When an emergency arises, the safety and welfare of the United States depend on efficient performance of the Uniformed Forces. It is the one institution in our country that can never be allowed to fail. The effectiveness of any organization can be no greater, over an extended period, than the efficiency of its management. Any pay program that rewards longevity equally with promotion, or in which longevity awards are sufficient in the career serviceman, without the necessity of assuming added responsibility, would have a deadening effect upon many and could scarcely fail to develop a less efficient fighting force. Promotion must be rewarded more than mere length of service.

The pay scale should be constructed on the career expectancy of Service personnel.[1]

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[1] U. S., Department of Defense, A Report and Recommendation for the Secretary of Defense by the Advisory Commission on Service Pay, (Washington, D.C.: U. S. Government Printing Office, 1948) pp. 1-2.

In the hearings which followed the Hook Commission, Mr. Whiting, a member of the commission testified in part:

> ....In 1946 the present scales were adopted. In the face of rapidly rising prices it was deemed necessary to obtain relief from those most sorely pressed. Percentage increases varying from 50 percent for the lowest grade, that is the seventh grade enlisted man--to 10 percent for the highest grade were enacted. ....strong desire in 1946 of having a 20 percent increase for all men in the services, but there was a comprised arrived at ....The result of all these different acts taken together was to unbalance the pay structure, unduly weight longevity, and fail to reward adequately top management.[1]

In discussing the Navy, the remark is often made that there are more Admirals and Captains today and that more men make it. However, Admiral Fechteler, testified before the aforementioned hearing as follows:

> ....In 1910, 2 percent of the officers of the Navy were of flag rank. Today six-tenths of 1 percent are officers of flag rank. The comparable figures for Captain in 1910 was 7 percent, today it is 6.3 percent.[2]

While the Hook Commission recommended withdrawal of sea pay for officers, Admiral Fechteler testified as follows:

> ....we recommend 10 percent for officers and enlisted men. Our reasons for that were that Americans as a general rule prefer to remain inside the United States....Industry

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[1] U. S. Congress, House, Subcommittee of the Committee on Armed Services, Career Compensation for the Uniformed Forces, 81st Cong., 1st Sess., 1949, p. 1421.

[2] Ibid., p. 1463.

> pays more for people to go outside of the United States for comparable jobs.
>
> Insofar as Officers are concerned, we have this continual struggle, you might call it, between special duties which don't entail going to sea and the seagoing end of the Navy, and we felt there should be a distinction in the matter of pay.[1]

The budget soon came into the discussion on sea pay for officers and the final bill killed officer sea pay. Although the fact that officers on sea duty have a higher cost of living in addition of the mere fact of separation from dependents.[2]

The pay bill enacted in 1949 was not sufficient to curb officer resignations; the cost of living standard for Lieutenant junior grade was the lowest of the last two decades, and a Captain wasn't much better off than he had been during the inflationary period of 1920. This was even in the year the bill was enacted.

The cost of living was to rise eleven per cent from 1949 to 1952 when the next pay bill was to be enacted; this bill did nothing to stop the decline of the serviceman's purchasing power.

In 1953, the Commission on Incentive-Hazardous Duty and Special Pays, also known as the Strauss Commission, presented among other things the following in its report:

> That it is the duty of able-bodied American citizens to serve in the Armed Forces of the U. S. in time of war or national emergency.

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[1] Ibid., p. 1638.

[2] Ibid., p. 1639.

> That while in the early days of the republic technical skills played a minor part in the Armed Forces, technological changes in methods of warfare have made it imperative to train men in advance in time of peace, to attain proficiency in the military arts. It has, therefore, become necessary for the Armed Forces to compete with peacetime civilian attractions to retain such men.
>
> That incident to the methods of modern warfare, some duties involve great hazards and discomforts and require a high degree of skill. Many others although requiring skills, are relatively safe and comfortable. Additional pay is necessary to man the hazardous and disagreeable assignments on a voluntary basis.
>
> That, under present conditions involving partial war and partial mobilization over a period of indefinite duration, the problem of maintaining high morale in a armed force of three to four million men is without guiding precedent, and also without precedence is the maintenance of a large combat ready force outside of the United States. A fair pay schedule, soundly administered, is a major factor in the maintenance of morale.[1]

In the course of its study the Commission interviewed hundreds of officers and men. One of the most frequent complaints heard was that the government seemed to feel no obligation to carry out the terms of employment under which servicemen had been recruited. Officers pointed out that retirement benefits were often a determining factor in their decisions to undertake military careers, and that the rules governing retirement were modified unfavorably midway in their career.[2]

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[1] U.S., Department of Defense, Commission on Incentive-Hazardous Duty and Special Pays, Differential Pays for the Military, (Washington, D.C.: U.S. Government Printing Office), 1952, p. 7.

[2] Ibid., p. 13.

The Strauss Commission also made several general recommendations to the Congress. Among which it said Congress should use great care in changing the terms of employment for the armed services. And when it must be done to make it applicable to only those recruited after the change.[1]

In 1955, the Congress again tackled the problem of military pay since the pay increases during the previous ten years had been negated by the rising cost of living.

The problem of incentives for junior officers had trailed every major war the United States had engaged in. Advancing technology had always compounded the problem, but in the 1950's it assumed catastrophic proportions.

A new problem had been in existence since the end of World War II. The heavy deployment schedules brought long separations from dependents. As experienced officers resigned, those remaining had to be assigned an increasing number of extended deployments thus compounding the problems of morale and officer retention.

These problems are highlighted by the statements made before the Subcommittee of the Armed Services Committee House of Representatives. From Secretary of Defense Wilson they heard:

> Too many of our young officers and men, after receiving their technical training,

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[1] Ibid., p. 50.

> are leaving the service at the first opportunity. As a result we face a continuing shortage of personnel in the 4 to 10 years' service bracket and the readiness of our combat units will be difficult to improve if we are unable to induce more men to stay with us longer. Today more than at any other time in our peace time history we must have men who are willing to serve anywhere in the world, undergoing hardships, inconveniences and the disruption of a normal family life. This deployment of our armed services abroad to so many areas of the world is also placing an increased responsibility upon our military personnel.
>
> It would be difficult for any business to survive on the same basis with such a high loss of experienced personnel. I know of no easy solution to our manpower problems. ....It is not enough, however, to raise the pay of a youngster for the immediate future. There must be a goal to which the young man can aspire. This goal must include, in addition to the intangible rewards which any American gets for patriotic service, an ultimate material reward commensurated with the responsibilities with which he is entrusted. If the peak of the career is not attractive to the type of young men we need for future leaders in this multibillion dollar defense business, true leaders will not seek a military career. For this reason, it is essential that we recognize the requirements for adjusting the pay of our senior officers as well as for the juniors.[1]

A memorandum from the Joint Chiefs of Staff to the Secretary of Defense dated February 20, 1953, had stated in part:

> In short, the current situation invites and encourages mediocrity in the direction and management of our Armed Forces, which

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[1] U. S., Congress, House, Subcommittee No. 2 of the Committee of Armed Services, Career Incentive Act of 1955, 84th Cong., 1st Sess., Feb. 7, 1955, p. 396.

> the Nation can ill afford. Analyzed in the light of the fact that the larger function of our great national budget is now administered by uniformed officers, in whose hands actually repose the key responsibilities for calculating vast material requirements and for supervising the expenditure of great sums of money, the JCS felt that the Nation cannot afford to be content with anything short of the highest caliber personnel for our Armed Forces. To discourage the development of a high-quality corps of officers, warrant officers, and noncommissioned officers by diminishing the attractiveness of such service must ultimately prove to be shortsighted economy with unfavorable reflections not only upon the quality of our defense but upon the husbanding or our national treasure as well.[1]

Adm. Arthur Radford, Chairman of the Joint Chiefs of Staff, had this to say:

> In brief, the problem we are facing in the Department of Defense is our inability to retain in the services on a voluntary career basis the top-notch junior officers and petty officers that we must have for the future security of this Nation. We do not have at this time any shortage of qualified officers in the higher grades. However, to insure that same condition a generation from now is the problem.[2]

From the Secretary of the Navy Thomas the committee heard:

> ....the bill proposes a modest, but I think overdue increase in the basic pay of the flag and general officers in our senior command levels. In terms of compensation for their heavy responsibilities this pay proposal, in my opinion, still does not adequately compensate these senior officers. The senior officers in the flag and general grades should be

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[1] Ibid., p. 398.

[2] Ibid., p. 402.

compensated more nearly in accordance with civilian executive level salaries.[1]

Admiral Carney, U. S. Navy Chief of Naval Operations, partly in a prepared statement and partly in response to questions from Congressman Gavin said:

> ....There are certain corrective measures and improvements which we can undertake without your support and we are working diligently to achieve conditions which will make military life for our uniformed people and their families more nearly comparable to conditions on the outside.
>
> However, the thinking of our people is profoundly affected by other factors over which we have no control, and this matter of pay is one of them.
>
> As a matter of fact, our best information indicates that pay has now become the most important single factor. We are not unaware of the satisfactions of serving, and we do our best to inculcate the sense of pride and self-respect which will engender devotion to this military life, but those arguments lose much of their effect if a man feels that his worth is not recognized, and when he is confronted with the stark realities of providing a decent living and decent advantages for his family.
>
> Admiral Carney: I know, Mr. Gavin, I came back here after the war as a rear admiral in the lower half, and my pay could buy less in the way of living standards in Washington than I was able to enjoy when I was a lieutenant commander with two young and expensive--two growing children to take care of.
>
> Mr. Gavin: You think the scale that is set up here--for the lieutenant junior grade, lieutenant, and lieutenant commander, are adequate and attractive enough to have these young men remain in the service?
>
> Admiral Carney: I am not too concerned about the lower grades, sir. As I said, my preoccupation is really with the senior grades in the enlisted and then it runs through the entire range of the commissioned grades.

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[1] Ibid., p. 418.

> But as was pointed out by a previous witness, if the young officer sees a goal up ahead that is worthwhile. He knows he is not coming up against the stops, halfway up the latter, as we have many ties experienced in the past years, where added responsibility piles on and sometimes added expense with that responsibility, without adequate increase in compensation.
>
> And I believe it will, sir, have an important effect in showing the younger officers that there is something to shoot at when they get to the top.[1]

In an exchange between Assistant Secretary of the Army Milton and Congressman Bates, there is an example of poor homework or poor advisors. The mileage allowance had been eight cents per mile since 1876, until it was cut to six in 1949, for permanent change of station. The five cents allowance was for temporary additional duty travel.

> Mr. Bates: But the officer still gets eight cents a mile?
> Sec. Milton: No, six cents.
> Mr. Bates: Has it always been six, or was it eight?
> Sec. Milton: No, it was five at one time. It is more recently six. I do not know when it was change.[2]

The result: the committee and anyone who reads the printed record believes the military has had an increase, where in effect, it has been cut.

General C. L. Bolte, Vice Chief of Staff, United States Army, left the following thought with the committee:

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[1] Ibid., p. 421.

[2] Ibid., p. 434.

> This loss of career personnel is not a new problem in the Armed Forcess....Whenever the disparity between the tangible benefits of civilian and military careers becomes so great that men of ability cannot, in justice to themselves and their families, afford to don the uniform for their lifetime.[1]

The committee also heard about young officers who commented of the life of their seniors. One, in particular, when he and his wife viewed the living conditions of his Captain, decided being a bank teller was better; at least he could aspire to a well paying job.[2]

Captain Martineau, U. S. Navy, assigned to the Bureau of Personnel, remarked:

> This monetary reimbursement in most cases hardly even pays for the actual travel costs.
>
> In no case does it even begin to reimburse a family for such typical expense items as lease forfeiture, temporary living costs in hotels, motels, boarding houses, pending reestablishment of a normal household, breakage and depreciation of household goods in transit. It has been a rough rule of thumb in the services for quite some long time that three moves are the equivalent of one fire.[3]

(In reference to Flag officers)

> It is much more important than just the matter of increasing the money of the officers who are holding that rank now. And I say that with deepest sincerity, because as I mentioned to the committee before, I have attempted to find out what is the feeling of the younger officers in our today that is making them leave in greater numbers than they have ever left before.

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[1] Ibid., p. 437.

[2] Ibid., p. 559.

[3] Ibid., p. 662.

> In many cases, and I could bring the letters before this committee, one of the principal reasons advanced for these young men leaving the service is that the incentive along the line at the top is no longer large enough in their eyes.
> ....And I feel I would be negligent in my duty and my obligations to this committee if I didn't say this: that if this pay bill in its present form is enacted and no more is done for the flag and general officers than is being proposed at the moment, contrasting that with the pay laws that have already been enacted for other positions in the Government, and that going to be enacted no doubt by this congress, that it will have in that respect a more detrimental effect than if we had passed no pay bill at all.[1]

From the American Legion came a statement that echos the remarks of all veteran organizations:

> ....Whereas military leadership has been diluted by losses of experienced personnel has hampered the attractiveness of service careers; and Whereas take-home pay for military personnel has not kept pace with the cost of living, while industry in general is increasing the benefits of its employees; and ....
> Whereas the emasculation of traditional compensatory benefits for military personnel has hampered the attractiveness of service careers; and ....
> Whereas the whittling away of these benefits and the reluctance to raise pay scales are false economy which ignores the fact that combat effectiveness depends on capable personnel as well as superior material; and ....
> Whereas the need to improved service benefits and the need to improve the physical living conditions of military personnel and their families is plainly evident to the Defense Department and to the Congress; ....[2]

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[1] Ibid., p. 699.

[2] Ibid., p. 699.

The pay raise of 1955, held the line on cost of living increases and even started to reverse the trend of the last fifty years. Well it should, for no group of officers in the previous history of the Navy had worked as hard as the naval officers of the 1950's.

In 1956, the Defense Advisory Committee on Professional and Technical Compensation (known to most people as the Cordiner committee) was formed.

Following the report of this committee military pay hearings were held. In addition to the same theme as was heard from the Strauss Commission in 1953, and Hook Commission in 1949, some additional notes were added. From Admiral Burke, U. S. Navy:

> ....Our officers, the bluejacket students, have to know a tremendously greater amount than I did when I was a young officer. They have to be technically proficient. It takes time to learn that and you have to train a large number of people....We have enough officers now to man the fleets, but we do not have enough total officers to permit sending enough of our younger officers to civilian schools for postgraduate training.[1]

When asked about the pay bill that provided increases for the senior officers and practically no increase for the junior officers he made the following reply:

> ....There again it is a question of balance. I think it is correct the way it is, but also I think a lot of the younger officers

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[1] U.S., Senate, Subcommittee of the Armed Services, Military Pay, Part 2, 85th Cong., 1st and 2nd Sess., 1958, p. 360.

> are pretty well strapped. They are in a bad way. But if they could look forward to a time when they can have enough to live on, it is better than if they get the money now and then look ahead to a time where they have got to be in poverty in the future. So again it is a question of balance. The increases have usually occured in the lower ranks, until now I think it is unbalanced. The lad looks at his boss and says, "What is the use? Even if I stay in the Navy 10 or 15 years, look what you are getting, boss. That is no incentive to me."
> ....Senator Stennis replied, "Of course the bill carries now a 6 per cent increase all the way across the board."[1]

But during the time since the last pay raise the cost of living had gone up seven per cent.

The Pay Bill in 1958 started to raise the purchasing power of the officers and at the same time to reverse the compression of pay between grades. What will happen with the advent of the 1963 Bill?

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[1] Ibid., 376.

PART II

TODAY'S POSITION OF MILITARY PAY

CHAPTER III

SALARIES TODAY

Comparative Salaries

Through the years the military has had the problem of competing with private industry for top quality young officers to remain in the service.

This problem has become particularly aggravated by the recent surge in industrial demands for college graduates. The table below made by the Placement Director of Northwestern University of 218 firms shows the average monthly salaries offered 1963 college graduates with bachelor degrees.

TABLE 3

Salary Offers for '63 College Graduates

Field	Starting Salary	Increase over 1962 offers	Present Salaries of grads of 5 years ago	Same of 10 yrs ago
Engineering	$588	2.8%	739	906
Accounting	510	1.2%	676	871
Sales	473	3.3%	703	900
Business	466	2.4%	660	856
Other	513	5.5%	---	---

These companies will hire about 14% more bachelor degree graduates than last year and about 29% more masters degree graduates. The largest job increases will be in engineering.

In contrast, naval officer counterparts, with bache-

Chapter 12

Planning Ahead

Preventive Maintenance

Consult the Table 12.1 below for some of the problems with various industry to see how they might have affected it (usually in the worst).

Only perform the routine periodically suggested by the manufacturer. Remember that the policies practiced. The table below was in the Minnesota University of Southwestern California of All Types since this strategy industry attempt after reading carefully with the motor repairs.

Table 2

Safety Checks for the Various Processes

Tool	Visible Failure	Invisible Wear Failure	Frequency of Periodic Examination	Time to Fix
Punch Press	Bent	[illegible]	[illegible]	[illegible]
Screwdriver	[illegible]	[illegible]	[illegible]	[illegible]
Drill	[illegible]	[illegible]	[illegible]	[illegible]
Hammer	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]

Other suggestions will have been that more extensive regular preventive steps [illegible] and above that were necessary. Maybe questions. The Surgeon Gen Insurance will be in [illegible].

In addition, during [illegible] procedures, with [illegible]

lor degrees will be receiving the following monthly "salaries", (comprising basic pay, quarters, and subsistence allowance, plus federal income tax exemptions for these allowances) this summer, 1963:

O-1, Ensign, without dependents, just graduated:	$270,	that is, 48% of the above engineering starting salary.
O-3, Lieutenant, with dependents, graduated 5 years ago:	$626,	that is, 85% of the above engineering five-yr.-after salary.
O-4, Lieutenant Commander, with dependents, grad. 10 yrs. ago:	$750,	that is, 83% of above engineering ten-yr.-after salary.

NOTE: Some of the five and ten-year officers have masters' degrees.

When one reads of a starting salary of $8400 for a twenty-one year old college graduate it is particularly disquieting to think of service pay.[1] While undoubtedly, this type of offer is for only a few outstanding individuals, it sets a frame of mind for the young officer. If one looks at recent trends this is only a prelude to what the average starting salary will be five years from now.

The tables presented below allow a comparison with different levels of position, experience, and general United States economic standards.

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[1] Wall Street Journal, April 16, 1963, p. 18.

Civilian Salaries

TABLE 4
Civil Service Pay Adjustments
1958 through January 1964, for four grades,
Step 4 in each grade except GS-18.

Grade	1958	January 1964	Increases over 1958
GS-18	$17,500	$20,000	14.3%
GS-15	13,670	17,210	25.9%
GS-7	5,430	6,380	17.5%
GS-3	3,780	4,195	11.0%

NOTE: The enacted increases for January 1964 may be further adjusted upward by the present Congress, in order to better approximate comparability with private enterprise with the rising national standard of living and earnings.

TABLE 5
Federal Wage Board Median
Wages in Continental U. S.

Year	Median Wages
1955	$4,056
1958	4,888 increase over 1955 -- 20.5%
1960	5,366 increase over 1958 -- 9.8% increase over 1955 -- 32.3%

NOTE: Data not yet available for 1962.

(The above figures are from statistics cited in the various publications in the bibliography and other authoritative sources compiled by Vice Admiral T. G. W. Settle, USN (Ret.))

TABLE 6
Median Earnings of all
U. S. Males Employed Full Time

Year	Median Earnings	%increase from previous year	% incr. over 1958.
1958	$4,893	--	--
1959	5,175	5.8%	5.8%
1960	5,377	3.9%	9.9%
1961	5,600 (est.)	4.1%	14.5%

NOTE: Estimated increase 1958 through 1963--24%.

TABLE 7
Policemen and Firemen, 1962.
Starting annual basic salaries in lowest grades

Boston, Mass: $4880

Norfolk, Va: $4260

Washington, D.C. $5650

San Diego, Calif. $6084

New York City: $5600

Automatic yearly increases and guaranteed minimum overtime in New York City brings the unpromoted policeman/fireman pay, after three years service up to $6981. In late 1962 negotiations were in progress to boost these rates.

(The above figures are from statistics cited in the various publications in the bibliography and other authoritative sources, compiled by Vice Admiral T. G. W. Settle, USN (Ret.))

TABLE 8
Steel Company Pay[1]

Position Description	Comparable Navy Rank	Company Base Salary	Qualified Employee's Salary	Outstanding Employee's Salary
1	Ensign	$430	$506	$607
2	Ensign	456	537	644
3	Ensign	484	570	684
4	Ensign	514	604	725
5	Ensign	545	641	769
6	Lt. j.g.	578	680	816
7	Lt. j.g.	613	721	865
8	Lieut.	650	765	918
9	Lieut.	689	810	973
10	Lieut.	731	860	1032
11	Lieut.	775	912	1094
12	Lcdr.	822	967	1160
13	Lcdr.	872	1025	1230
14	Lcdr.	924	1087	1304
15	Lcdr.	980	1153	1384
16	Cdr.	1039	1222	1467
17	Cdr.	1101	1296	1555
18	Cdr.	1168	1374	1649
19	Cdr.	1239	1457	1749
20	Cdr.	1313	1545	1854
21	Capt.	1393	1639	1967
22	Capt.	1477	1738	2085
23	Capt.	1566	1843	2211
24	Capt.	1661	1954	2345
25	Capt.	1761	2072	2486

NOTES: 1. Navy rank comparisons made from similar training, responsibility, and supervision requirements.

2. Division heads and corporate officers do not appear in this table.

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[1] James E. Kneale, Lcdr, USN, "A Comparison of the Compensation Provided an Officer of the United States Navy with that Provided Management Employees in Industry," (unpublished master's thesis, Navy Management School, Monterey, Calif., 1962), p. 23.

Military-Civilian Compensation Comparisons

1. military pays cited below are annual basic pay plus quarters/subsistence allowances and Federal income tax exemptions therefor. The civilian pays are annual salary/wages (straight time pay); additional premium pay (overtime, night, holiday) are indicated in some cases. Along with each military pay grade cited, approximate median civilian pays of the corresponding "linkage" zone is indicated. Flag Officer and GS grades above 15 are not cited because of "compression at the top" which precludes meaningful comparison with each other and with private enterprise. The military pays are those effective now; the Federal civilian pays are those to be effective in January 1964, unless increased by the present Congress.

2. Captain/Colonel grade.

a. Captain/Colonel, O-6, over 20 years service	$13,510
b. Civil Service, GS-15, step 4	17,210
c. Foreign Service, FSO-2, step 4	17,400
d. Postal Field Service PFS-17, step 4	16,485
e. Veterans Admin., Dept. of Medicine and Surgery, Director of Nursing Service	15,665 to $19,270
f. National Average (BLS 1961), private enterprise, for attorneys, chemists, and engineers corresp. with Civil Service, GS-15	20,316
g. MSTS, Civil Service crews, June 1962, P2, (transport), Master	18,600 plus $1639 in lieu of overtime, plus quarters and subsistence in kind of allowances.

(The above figures are from statistics cited in the various publications in the bibliography and other authoritative sources, compiled by Vice Admiral T. G. W. Settle, USN, (Ret.))

h. Merchant Marine, U. S. registered.

(1) Tankers, Atlantic and Gulf Coast, 1958-61 over 25,000 tons, Master	$16,488 plus qtrs. and subsistence in kind or allowances
(2) 35,000 Ton, twin screw, Master	19,164
(3) Great Lakes ore ships, minimum annual salary for 8 months/year service	24,000
(4) Ball SS Line, East Coast and Caribbean, Liberty ships, Master	20,500 basic plus average 56 overtime

3. Lieutenant/Captain grade.

a. Lieutenant/Captain, O-3, over 8 yrs. service	6,700
b. Civil Service, GS-11, step 4	9,250
c. Foreign Service, FSO-5, step 4	10,655
d. Postal Field Service, PFS-11, step 4	9,250
e. Veterans Admin., Dept of Medicine and Surgery, Assoc. Physician	8,410 to $10,650
f. National Average (BLS 1961), private enterprise for auditors, attorneys, engineers, and office managers corresponding with Civil Service GS-11	9,735
g. MSTS, Civil Service crews, June 1962, P2 (transport), 2nd officer	9,408 plus qtrs. & subsistence.
h. Merchant Marine, US registry, Tankers, over 25,000 tons, 1958-61, 2nd officer	8,496 plus qtrs. & subsistence.

(The above figures are from statistics cited in the various publications in the bibliography and other authoritative sources, compiled by Vice Admiral T. G. W. Settle, USN, (Ret.))

4. Ensign/2nd Lieutenant grade.

a.	Ensign/2nd Lieutenant, O-1 under 2 yrs. service	$4,942
b.	Civil Service, GS-7, step 4	6,380
c.	Foreign Service, FSO-8, step 4	6,380
d.	Postal Field Service, PFS-7, step 4	6,550
e.	National Average (BLS-1961), private enterprise for occupational levels corresponding with Civil Service GS-7	6,876
f.	MSTS, Civil Service crews, June 1962 P2 transport, Junior Deck Officer	6,903 plus qtrs. & subsistence
g.	Merchant Marine US registry	
	(1) 25,000 ton tankers, 1958-61 Junior third mate	7,032
	(2) 35,000 ton, twin screw, 1960 4th officer	7,308
	(3) Graduates of Kings Point Merchant Marine Academy get Third Mate Billets at - -	9,000 to 10,000 with three mos. off ea. year.

The Department of Defense and the services find they must be competitive in the industrial-business manpower market when hiring management trainee civilian employees.

Let us consider a fairly typical example: The Department of Defense in hiring auditor trainees

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(The above figures are from statistics cited in the various publications in the bibliography and other authoritative sources, as compiled by Vice Admiral T. G. W. Settle, USN (Ret.))

starts them at GS-5 (GS-7 if the trainee is in the upper 25% of the scholastic standing of his class or has a B-plus average), after six months the GS-5 is promoted to GS-7. Twelve months after this advancement he is promoted to GS-9. The following year he may expect to be advanced to GS-11. The trainee hired as a GS-7 will be advanced in six months to GS-9, one year later to GS-11. His promotions ordinarily slow down and wait for the one hired as GS-5 to catch up. The graduates of the 1955 and 1956 college classes are for the most part GS-13 or 14.[1]

TABLE 9
Comparative Advancement of Department of Defense Auditors and Naval Officers

Time in Service	DOD Auditor		Navy Officer	
	Grade	Monthly Salary[1]	Rank	Monthly Salary[2]
Start	5	$380	Ens.	$280
6 mos.	7	462		280
18 mos.	9	556	Lt. jg	317
30 mos.	11	670		308
Class 1955	13	930	Lt.	558

Notes: 1. All GS salaries are for Step 1.
2. Figures are for Basic pay, allowances and income tax advantages. Ens. and Lt. jg without dependents.

On comparative responsibility of a naval officer and an auditor:
Comment: The lieutenant by now has most probably been a department head on board ship and is qualified as an underway watch officer. Possibly he has been an executive officer or a commanding officer of a small ship.

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[1] Telephone Interview with Mr. Harold Albertson, Department of Defense Auditor, April 25, 1963.

Adequacy of Military Pay

Military pay, with the exception of quarters allowance, has not been increased since 1958. Even then the quarters allowance was only about fifty per cent of the amount rents had increased since the last adjustment.

Civil Service and other federal civilian pay was adjusted in 1958, 1960, 1962, and an increase for 1964 is already enacted. These increases are comparable with industrial salary/wage rates with the exception of the higher grades. Military pay does not approach such comparability.

In recent years the consumer price index (1957-59= 100) has risen about one per cent a year. Over the last twenty year period it has risen fifty per cent. The "National Standard of Living" has risen about three per cent a year during the last few years. Industrial salaries and wages have kept pace.

Some Effects of Pay Inadequacy

Many service personnel feel that their dependents must work or they must "moonlight" (hold a second job) to make ends meet, educate children, etc.

> In January 1963 at a naval shore activity in a city, 3.4% of the officers and 26% of the enlisted had off-duty outside jobs; wives of 14% of the officers and 35% of the enlisteds worked; in the cases of 7% of the enlisteds, both husbands and wives had outside jobs.
>
> In January 1963, in a naval shore administrative activity with 209 married en-

listed men, mostly of middle and senior ratings, 74% "moonlighted" or their wives worked.

In 1962, in a major Fleet type command 1.5% of the officers and 6.6% of the enlisteds had off-duty jobs; 15.7% of the officers and 13.4% of the enlisted had working wives; but operational schedules precluded about half of the force from moonlighting.

Many, including senior officers, cannot adequately fund college education for their children.

In a Fleet type command in 1962 the average cost per family from personal funds for permanent changes of station, over and above government funding for transportation, per diem, and dislocation allowances, was $233 for officers and $172 for enlisteds. Average spent per family for medical/dental care and drugs outside of military facilities was $141.

In the same Fleet type command, of the non-reenlistments in 1962, 27% gave inadequate pay as a principal reason. 5.6% of officer resignations cited pay. The actual percentages were probably higher as many are reluctant to so cite pay.[1]

Human wants are insatiable; some authorities might question the real need for moonlighting. Perhaps the figures below might show what part of the necessity is. Most people do not like to accept charity.

In 1962, the California Red Cross distributed $2,793,000 to military families in interest-free loans and grants.

In 1962, the Navy Relief Society made loans and

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[1] Compiled by Vice Admiral T. G. W. Settle USN (ret.))

listed men, mostly of middle and senior ratings, 74% "moonlighted" or their wives worked.

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grants to Navy and Marine Corps families:

For hospitalization, 3400 cases: $216,600.00

For basic maintenance and dental care of dependents, 48,300 cases: $2,996,000.00[1]

The following extracts from the 1963 Hearings by the House of Representatives Subcommittee probably outline the problem better than could any number of tables of figures. Mr. Blanford, the committee counsel, asked Admiral Smedberg:

> ....Do you feel the junior officers look to the increases provided here for the senior officers, and that this enters into their consideration as to whether they are going to make a career of the Navy?

Admiral Smedberg answered:

> I personally feel very definitely that is the case, particularly with the best young officers, the smartest ones, the ones we want most to keep.[2]

Shortly thereafter a letter from a Navy Captain to Mr. Rivers, chairman of the committee had, was read into the record.

> In view of the recent pay increases for professional civil service personnel the small amount of information that has leaked out with respect to the potential military pay increases has been most disquieting, in fact, almost insulting.

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[1] Ibid.

[2] U. S., Congress, House, Subcommittee No. 1, Committee on Armed Services, Hearings to Increase the Rates of Basic Pay for Members of the Uniformed Services, and for Other Purposes, 88th Cong., 1st Sess., 1963, p. 1464.

At the comparable service position level, civil service personnel will receive approximately a 20 per cent pay increase by January 1, 1964. The only information I have been able to gather with respect to our military pay situation obstensibly because Secretary McNamara has maintained a veil of secrecy over this matter is that captains will be recommended for a pay increase of about $45 per month. If this is true, then I find the entire pay situation insulting with respect to the military civilian relationships in our activities.

I am not against the pay increases for our civilian engineers. Their increases have made their pay somewhat equitable with their commercial counterparts.... GS-14 and above civilian personnel making up to approximately $4,000 more per year than I will be earning including allowances as of January 1, 1964. I consider this to be a most unhealthy command and management situation. I feel that I contribute just as much technically and considerably more in administration and decision making on technical matters as any civilian engineer in a certain laboratory. I am sure that this situation prevails in other laboratories and activities of the Navy, and in Ships, perhaps to even a greater degree.

My pride has been wounded sorely and the pride is about all we have left in our profession. I would take such retirement action most reluctantly since I have loved the Navy and it has been fair and just with me in the past.

Of course, I as an individual don't really count for much in the Navy but I feel there must be hundreds more who are going to have the same thoughts and conclusions and the Navy and Government cannot afford to lose our collective services..[1]

It was intended in the preparation of this paper

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[1] Ibid., p. 1465.

to go into a long discourse on comparative pay, but this information has been adequately published by the Hook Commission in 1947,[1] and again by the Cordiner Committee in 1957.[2]

Probably the above letter expresses the inner feelings of more naval officers better than could any other single document. It certainly echos the sentiments of this writer's present associates.

The junior officer who must make a decision to "stay in" or "go home" can only look at a Captain with either scorn or pity and mentally say, "What has twenty-five years of your life led you to?"

During the late forties and through the mid-fifties pay for junior officers was not far out of line with private industry. For the young single officer receiving fifty per cent as much as his contempories history doesn't mean much. For the young married officer on sea duty his wife must work.

Salary Fringes

The pay does not meet the minimum wage standards for straight time for many military personnel and especially young officers at sea (excepting they are married).

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[1] Supra., 19.

[2] U. S., Department of Defense, "A Report and Recommendation for the Secretary of Defense," Defense Advisory Committee on Professional and Technical Compensation." (Washington, D. C.: U. S. Government Printing Office, 1957) p. 21.

(The young officer underway seven days a week, works an eighty hour week if he is standing one in three watches; doing administrative work only during working hours when off watch.)

If the shorter Civil Service or industrial work week were applied to the officer's work week, then part of the officer's pay would be figured at time and one-half. He is assuming a great deal of responsibility for teenage baby-sitting wages. Everyone else in the United States would be drawing time and one-half and double time for a like period.

Fringes

a. Costs of military supplemental and other compensation for services rendered are 29 to 30% of "Constructive Military Salary", (i.e., basic pay plus quarters/subsistence allowances and Federal income tax exemptions therefore, and incentive pays), which is the counterpart of civilian salary/wage, (straight time pay). Military supplementals, include the high accrual costs of retirement/retainer pays. The percentage trend is downward.

b. Costs of Civil Service and other Federal civilian supplemental compensation for services rendered are about 28% of salary/wage, and trending upward.

c. Costs to industrial employers for supplemental and other compensation for services rendered averaged, in 1961, 29 to 30% of salary/wage. They are trending strongly upward having about doubled in percentage since WWII. Both management and labor now stress increases in supplementals. Western European industrial supplemental percentages are generally higher than here, notably in France and Italy.

d. Operating costs other than compensation for services rendered are not included in the above percentages for industry nor for the Federal civilian and military systems. Such costs include indemnities for injury, sickness and death, indemnities for expenses incurred by individuals while rendering services, and costs essentially for employers' or the government's purposes such as company stores and cafeterias, commissaries and exchanges, athletic and recreational facilities, training and education, etc.[1]

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[1] Supra., 35, Settle.

CHAPTER IV

FRINGE BENEFITS

Military

Perhaps the very word "fringe" leaves this area a little vague. Generally speaking there are two kinds or groupings of fringe benefits: 1. The legal group which includes survivor benefits, disability benefits and the various veterans' benefits such as burial in a national cemetery, etc. 2. The second and more elusive--dependents medical care, exchanges, commissaries, entertainment and recreation facilities, etc.

The first group recently has been given a sound base. It will probably serve the military well for years to come as long as it gets an occasional overlook, To be sure the ever-rising cost of living and standard of living does not undermine it.

Group two is a story with a different color and flavor. Civilians are always telling military men what fine fringe benefits the military man has. The conceived ideas in men's minds change much slower than the true state of affairs. The individual business man, with his eye on the profit motive and not troubling himself to consider what might be in the best interest of the nation, fakes continual snipes at service facilities to cut them off or force prices so high there is no advantage. In other areas competition in the civilian economy has driven the prices down to where they are

lower than the exchange prices.

There is money to be saved by patronizing the exchange and patronizing must be done by service personnel. For the wise it is not done blindly. During the past Christmas season, toys which were ten dollars in the Washington area exchanges were eight dollars or less in local stores. At this writing bread and milk are less expensive in the Ft. Myer commissary, but meat cost less at the A & P stores where there are regular weekly sale prices on meat. Drinks are less in many California cocktail lounges than in the officers' clubs, and so it goes across the nation. In Long Beach, California, during 1960, dairies were trying to force up low bidders so the price of milk would be raised in the Navy Commissary. In Charleston, S. C. in 1957, the push was against the package stores. In some areas, military organizations are required to have union permission for a military band to perform at their own dances when they are held in civilian establishments.

So it goes; each individual says he is only looking out for his own interest. However, those individuals cover the sum total of American economy and as a result blanket the fringe benefits.

Some individuals feel that the pay of the military man is public money and that anyway you can get your hand into the public coffers is alright because it doesn't belong to anyone anyway.

The Cordiner Committee wrote with respect to

fringe benefits.

> Take effective, continuing action to reestablish and maintain appropriate "fringe benefits" for service personnel and their dependents....Since World War II the quality of these former service benefits has seriously eroded while simultaneously they have become firmly established and greatly expanded in civilian compensation practices.[1]

The following table presents a list of fringe benefits for the employees of industry. It will readily be seen that direct comparison with the fringe benefits of servicemen cannot be made on the information presented here, but a general concept may be realized.

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[1] Supra., 46.

TABLE 10

Fringe Payment as Per Cent of Payroll 1961

Type of Payment	Total, All Industries
Total fringe payments as per cent of payroll . . .	24.9
1. Legally required payments (employer's share only)	5.1
a. Old Age, Survivors and Disability Insurance.	2.7
b. Unemployment Compensation	1.5
c. Workmen's compensation (incl. est. cost for self-insured). .	0.8
d. Railroad Retirement Tax, Railroad Unemployment insurance, state sickness benefits insurance, etc. **.	0.1
2. Pension and other agreed-upon payments (employer's share only).	7.9
a. Pension plan premiums and pension payments not covered by insurance-type plan (net)..	4.2
b. Life insurance premiums, death benefits, sickness, accident and medical-care insurance premiums, hospitalization insurance etc. (net)	2.7
c. Contributions to privately financed unemployment benefit funds	0.1
d. Separation or termination pay allowances . .	0.1
e. Discounts on goods and services purchased from company by employees	0.1
f. Employee meals furnished by company	0.4
g. Miscellaneous payments (compensation payments in excess of legal requirements, payments to needy employees, etc.) . . .	0.3
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time etc.	2.6
4. Payments for time not worked	7.6
a. Paid vacations and bonuses in lieu of vacation	4.2
b. Payments for holidays not worked	2.5
c. Paid sick leave	0.7
d. Payments for State or National Guard duty, jury, witness and voting pay allowances, payments for time lost due to death in family or other personal reasons, etc. .	0.2

** Less than 0.05%.

TABLE 10 (Cont'd.)
Fringe Payments as Per Cent of Payroll 1961[1]

Type of Payment	Total, All Industries
5. Other items	1.7
a. Profit-sharing payments	0.8
b. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.7
c. Employee education expenditures (tuition refunds, etc.)	**
d. Special wage payments ordered by courts, payments to union stewards, etc.	0.2

** Less than 0.05%.

Comparative Values

Defense Study Group on Military Compensation (1962) put the following dollar amounts on military fringe benefits (value to military officer)

Exchanges	$27.18
Commissaries	46.20
Medical (for the officer)	119.20
Medical (for dependents)	173.39
	$366.27

These figures are based on cost to the government.[2]

The Chamber of Commerce reported, the average payment in 1961 for fringe benefits (for the items shown in table 10, p. 52 was 24.9% of payroll, or 61.6¢ per pay-

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[1] Chamber of Commerce of the United States, Economic Research Dept., Fringe Benefits 1961, (Washington, D. C. 1962) p. 13.

[2] Navy Times, Feb. 1963, p. 5.

roll hour, or $1,254 per year per employee.[1]

Trend of Industry Fringe Payments

For ninety-one identical companies the cost of fringe benefits has risen from 14.6% in 1947, to 16,8% in 1949, 18.8% in 1951, 20.2% in 1953, 21.7% in 1955, 24.1% in 1957, 24.7% in 1959 to 26.4% in 1962.[2]

Civil Service Fringe Benefits Cost

The cost of Civil Service benefits are closely comparable to those in industry with a slightly higher cost for the civil servant.[3]

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[1] Supra., 53, p. 5.

[2] Supra., 53, p. 5.

[3] Industrial Relations Counselors, Inc., The Salary Equivalent of United States Civil Service Employee Benefits, A report, prepared for the Defense Advisory Committee on Professional and Technical Compensation, osd. (New York: November, 1956), p. 12.

CHAPTER V

SEA PAY

In the early eighteen hundreds an officer drew full pay only when at sea, hence there was a differential for sea pay. Sea and foreign duty pay was in effect from 1942 until the Hook Commission urged it to be withdrawn for officers.[1]

The old cliche that navy men join the Navy to see the sea is believed reverently by many navy men. However, it is no excuse to withdraw sea pay. The demands certainly do not weigh any less on the officers.

> Crews of commissioned ships of the Navy, in 1961, averaged 68% of nights away from home because of absence from home ports and 1-in-4 days duties when in home ports. Four ship types averaged above 89%.[2]

If the burden of going to sea, with the attendant separation from dependents and the added expense fell to everyone on a rotation basis there would be little concern.[3] Some groups of officers expect only one, or at the most, two tours of sea duty in a career. For many officers (staff and specialists) there are no afloat-jobs. While the Hook Commission recommended sea pay not

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[1] Supra., 19, Advisory Commission on Service Pay, 1948, p. 28.

[2] Supra., p. 35, Settle.

[3] Supra., 44, Pay for Members of the Uniformed Services, 1963, p. 1505.

be paid to officers, they recommended a "flat rate increase, as in keeping with accepted industry practice for disagreeable or unpleasant work and as a morale factor," for enlisted men.[1]

In 1953, the Strauss Commission followed the theme of the Hook Commission on sea pay with the same comments about the increased expense for those at sea. They also included the fact that everyone takes a turn at sea duty.[2]

A fair insight to the cause and effect of sea pay and retention problems can be seen in the graphs and tables 26 through 29.[3] With the extra income of flight pay, dollars is not a principal factor for naval aviators. For the other officer groups dollars is not a factor as the expense associated with separation from dependents is small. But for the line officer, dollars is a major factor in conjunction with dependents' separation as a major factor. They cannot be separated and are really one issue instead of two.

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[1] Supra., 19, Advisory Commission on Service Pay, 1948, p. 29.

[2] U. S., Senate, Report of the Strauss Commission on Incentive-Hazardous and Special Pays, 83rd Cong., 1st Sess., 1953, p. 26.

[3] Infra.,

CHAPTER VI

RETIRED PAY

Is retired pay a fringe benefit or a deferred payment for services performed? What it is likely to become in the not too distant future is a whipping-boy for the election campaigner, and those making economy drives on the national budget.

Retired pay or retainer pay has a long standing history in the military organizations of the western world. The use of the term "retired pay" and the vocabulary associated with it by Civil Service and private industry is somewhat blinding its proper application to the military.

The traditional method of computing retired pay had been on the basis of applicable active duty rates. Recruiters and officer procurement offices sold the Navy to young men (undoubtedly the other services did the same) highlighting this feature of the military; it was the only economic feature to highlight.

Congress in 1922 departed from the traditional method of computing retired pay on the basis of the regular pay scale. It would appear that the departure was not the intent of Congress, but the interpretation of the Comptroller of the Treasury. The Comptroller General believed Congress could not make the change. Suffice it to say, with the ensuing argument, the next Congress righted the wrong with full back pay computed

on the 1922 pay scale for retirees.[1]

This to the military was the indelible stamp of approval on the tried and proven method. This thought was on the minds of many when they entered the service or made their decision to be career military. To those who retired prior to 1958, it was a bitter pill when Congress repudiated what the officers had been led to believe was their just and earned due. What was said in the Senate in 1926 is as valid today as it was then:

> ....while granting the benefits of the new pay legislation to all officers who retire after July 1, 1922, deprives all officers retired prior to that date of said benefits, thereby violating the basic law under which these officers gained their retirement rights.[2]

If the reward for the service of time is to be discounted at the end of its tenure of office, then it is logical to assume that the door has been opened for repudiating the service of dollars by cancelling the interest on government bonds.[3] Patriotism is founded on (among other things) belief, honor and respect, and to shake or break one of its foundations is to weaken its whole structure.

To those committed to a service career, mentally,

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[1] U. S., Congress, House, Committee Military Affairs, Report #926, 67th Cong., 1st Sess., pp. 1-2, and U. S., Congress, House, Committee Military Affairs, Report #236, 68th Cong., 1st Sess., p. 4.

[2] Supra., 44, Hearings to Increase the Rates of Basic Pay for Members of the Uniformed Services, 1963, p. 1538.

[3] Supra., 44, Hearings to Increase the Rates of Basic Pay for Members of the Uniformed Services, 1963, p. 1679.

morally, or financially, the changing of rules for only one side (in the game of life), is like passing the point of no return on a voyage, and finding the remaining fuel is half water.

The following excerpts from a statement by Congressmen Wilson, Gubser, and Chamberlain appeared in Navy Times:[1]

> According to established scales of comparability with civil service, active duty military personnel have always been underpaid. Part of this has been made up through noncontributor retirement, hospital benefits, commissary privileges, and other benefits. Even after decreasing comparable civil service pay by the 6½-per cent retirement deduction and increasing military pay to include the taxes which are not paid on subsistence and quarters allowance, the pay of a colonel under this bill is almost $200 a month below that of his civil service counterpart.
>
> ....It is a common error to state that the military retiree does better than this civil service counterpart. The truth is that the military man who serves a full 30 years is not doing as well as the civil servant who gets longevity and can increase his "high 5" average years. After 30 years of service he can go up to as high as 80 per cent of his "high 5" average. On the other hand, the military man gets only 75 per cent of his basic pay and is not given retirement credit for his allowances. Figures clearly show that the civil servant draws more retirement pay than military men of equal rank and equal years of service. After 2½ to 3 years, the civilian has gotten back all of his contribution.....Military retired pay is not conceived as a pension and has never been

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[1] Navy Times, April 24, 1963, p. 2.

considered as such. In the case of United States V. Hooper (USCMA 643-645) in 1958, the Court of Military Appeals held in part:

> Officers on the retired list are not mere pensioners in any sense of the word....salaries that they receive are not solely recompensed for past services, but a means devised by Congress to assure their availability....in future contingencies.

This is why members of the retired list are still subject to the Uniform Code of Military Justice.

As cited by the Court of Military Appeals, a retired military officer is not a pensioner and he is bound by various laws and regulations which:

1. Make him amenable to courts-martial.
2. Restricts his employment in both civil and private employment.
3. Restricts and supervises his travels and expressions of thought.
4. Makes him liable for recall to active duty.

And--a moral code of good conduct and ethics is expected of them by their fellow citizens above that which is prescribed for the average civilian.

To accept the idea of the cost of living increases for retired personnel where our standard of living is spiralling is analogous to giving them the "old age pensions" of many states. For the wife, who has the misfortune of outliving her husband, the widow's mite could easily become her due.

Military men have the right to retire in twenty years:

For enlisted men at the end of their last enlistment that exceeds twenty years, this is true.

For officers this is not so true. Some are able to retire, but usually it is because they have not been promoted. It's "up or out" for the convenience of the government.

Why pay a retirement when he is so young and has all that experience, and has such a long-expected life.

Part of the answer can be seen in the Civil Service Retirement Fund problems. It's cheaper to move them out when they are younger for several reasons:

1. If they are to be retained and have any initiative they must have some promotions, and with promotions their eventual retirement costs go up higher than earlier costs.[1]

2. Promotions are stagnated. The United States has some sad lessons in history to support this --the experiences following the War of 1812, the Civil War, and the Spanish American War, when the country was saddled with oldsters who couldn't perform or take the physical gaff.

3. The "retired personnel" provide a powerful ready reserve of "know how" to quickly organize for

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[1] Roland Barber, "A Comparison of Costs," United States Naval Institute Proceedings, August, 1937, p. 1561.

limited or total war.

4. Retiring the younger man requires less cost for maintenance of personnel and health. Their dependents are fewer and younger so requiring less elaborate facilities. These retired young men are replaced by seventeen year olds (enlisted), or twenty-two year old officers with possibly no dependents.

5. Survivor benefits for casualities are less.

6. Combat conditions require young healthy men who can move fast.

Service at sea in particularly requires physical stamina. Every ship is an around-the-clock operation, where for many, eight hours of uninterrupted sleep during a cruise is not possible.

CHAPTER VII

PAY AND RESPONSIBILITY

The various commissions and study groups assigned to analyze military compensation over the last fifteen years have tried to equate military pay and responsibility with governmental groups and private industry. While government employees whether civil service, appointed, or political can be stratified by equivalent ranks, this cannot be done in attempting to equate management in industry with naval officers.

The military officer besides having the normal responsibility for his job has an additional responsibility for his actions to be in the best interests of his country. This "best interests of the country" is seldom heard in other quarters, as Congressmen try to reach into the pork barrel. More often than once the military organizations have tried to cut expenses by closing unnecessary installations, but some vested interest in Congress will have none of it, when it hits his home district. In the business world there have been continuous attacks on the fringe benefits of the military such as commissaries, exchanges, and clubs.

For the officer in command, his responsibility stays with him when he goes home at night, to a party, or anywhere else, until someone else succeeds to command. His responsibility for the well being of the personnel assignment is unequaled in any other field of endeavor.

He even has a responsibility for their conduct when they are on liberty and for their remarks about security matters.

An example of the magnitude of this: The Commanding Officer of the escort vessel with the ill-fated submarine, Thresher, who has been named "an interested party" for his failure to report a garbled message and various sounds. It is doubtful that this would have helped the Thresher. There is nothing unusual in the board of investigation's action, but this would undoubtedly be foreign to a civilian.

> Few professions, however, demand the high degree of education, combined with eternal vigilance only occasionally tested, which is required of naval officers.[1]

It is readily recognized that responsibility can not be bought for money. However, "discontent with financial rewards is a powerful disincentive, undermining and corroding responsibility for performance."[2] Monetary rewards motivate only where other things have made the worker ready to assume responsibility.

If one wants to test the above concept, let him go to work for a week having less than a dollar, or no

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[1] Jonathan T. Howe, Lieutenant (JG), "Time of Decision," United States Naval Institute Proceedings, January 1962, p. 36.

[2] Peter F. Drucker, The Practice of Management, (New York: Harper & Brothers, 1954), p. 303.

more than enough to pay for one's own lunch each day and no blank checks or credit cards. The next week let him carry one hundred dollars in his billfold. It will make no difference whether he buys anyone lunch or a drink. The fact is he can and is aware of it. And he was consciously aware the week before that he had to be careful of whom he met and where. His aggressiveness, willingness to make decisions and accept responsibility would undoubtedly show a marked difference.

The military services are much more decentralized than many outsiders tend to think.[1] This is especially significant in the Navy, where many commissioned ships are commanded by junior officers. These officers have demonstrated a sense of, and a willingness to assume, responsibility. But they must remain aggressive and decisive or disaster will strike.

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[1] Charles J. Hitch and Roland N. McKean, The Economics of Defense in the Nuclear Age, (Cambridge: Harvard University Press, 1960), p. 238.

CHAPTER VIII

QUALITY OF OFFICERS

The Need

> ....The major officer personnel problem is the acquisition and retention of unrestricted line officers to man the Navy of the future. Today there is an imbalance of officers, which is accentuated in the lieutenant and lieutenant commander ranks, where there is a serious deficit of about 3,000 unrestricted line officers. The situation is aggravated by having insufficient officers with scientific and engineering baccalaureate degrees and the high academic standing needed to meet postgraduate requirements.
>
> ....As we move toward 1973, our needs for officers in quantity and quality will increase. Our problems can be expected to expand, unless measures are innovated to relieve them. Plans for the procurement and training of personnel will have to be compatible with naval progress. At the same time, the training cannot be restricted solely to technological skills. The Navy still has to be prepared to fight at sea. This is a military requirement which is a specialty in itself--to a military service the most important specialty.[1]

Fulfilling the Need

Unfortunately it is impossible to measure what is enough for defense. This is equally true in measuring the caliber of men who man and direct the defense.

The unrestricted line is the command line of the Navy, and with a 3000 officer shortage it becomes obvious the Navy has less of a field to pick from in the selec-

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[1] William R. Smedberg, III, Vice Admiral, U.S. Navy, "Manning the Future Fleets," U. S. Naval Institute Proceedings, January 1963, p. 122.

tion of its Admirals. If selection boards must dip down they must sacrific experience levels. It is expected the officers selected will meet the "test", if put to it, but if they don't, the answer may well be written in the unnecessary spilling of American blood.

The Unknown Quality

In filling the requirement for 15,000 officers in the regular establishments of the Armed Forces in 1957, there were 10,000 applicants. Of that number, 9,600 were selected.[1]

In the hearings before the House of Representatives, Mr. Cordiner made this remark:

> ....of the officers who reenlisted in fiscal 1956, 78 per cent of them did not measure up to the average proficiency of the professional man they wanted. Unless we have a change in compensation, motivation, and reward, I don't think you can hold the Defense Establishment accountable and say it is a failure, when they reenlist these marginal fellows, because that is the only thing they can do presently.[2]

Most personnel managers feel it is absolutely essential to have three applicants to fill each vacancy. The following extract makes one wonder if the Navy hasn't felt a reduction in quality due to its inability to be selective in filling its needs--needs resulting from United States policy.

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[1] Supra., 30, Senate hearings (58), Part 2, p. 203.

[2] Supra., 3, Method of Computing Basic Pay, House, 1958, p. 5186.

> The Commanding Officer of one ship proudly suggested that some sonar experts might learn something from his ship's sonar. Though it was a standard model, it consistently obtained echo ranges 50 per cent greater than similar sonars in other ships of the same squadron. The experts did, in fact, learn something; they learned that the range scales in question were reading 50 per cent higher than they should have.[1]

While Congress would like to lay the blame at the feet of the services, for failing to retain sufficient junior officers, it is quite possible that the major part of the human error properly lies with Congress.

For a hundred years the services have been telling Congress what the basic philosophy of men, and Americans in particular, is--that young men look at the man at the top and try to determine if they are what to aspire to; if not they look elsewhere. But, Congress as a body, has not listened. From the period following the 1908 pay raise until the 1958 pay raise they have continued to compress the salaries between junior enlisted men to Navy Captains, and from Lieutenants junior grade to Captains. (Flag officers are not considered, as they are outside the normal career pattern, and their lot would only make things sound worse.)

It might be argued that the ratio a Lieutenant junior grade may expect his income to increase by the

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[1] Allan N. Glennon, Lieutenant Commander, U. S. Navy, "Needed More Professionals," United States Naval Institute Proceedings, September 1962, p. 59.

time he is promoted to Captain has only varied from 2.72 times in 1908, to 2.22 in 1942, to 2.32 in 1955 (See Table 2). This might have some merit if only the cost of living were involved, but it gives no recognition to the increased standard of living the majority of Americans enjoy. Management philosophers will readily agree that there can be no state of homeostasis in an organization which competes in the American economy. And compete the Armed Forces must, for its officers.

Congress has, unwittingly or otherwise, done two other things to aggravate the situation.

First, they have not seen fit to raise the pay of an Ensign for the last ten years. It has been argued and with superficial merit that every young man has the obligation to serve his country to the best of his ability, with honor and distinction. But not all Americans are required to do so.

For those who must serve, it often becomes a choice of two years in the Army or two to four years as an officer. Thus the "honor" has been legislated away and the one who feels he is forced to serve detracts from the honor of those who serve out of patriotism. When the young Ensign gets to his assignment and finds that usually half of the men under him are earning more money, the "distinction" is gone.

Let the Ensign look up and he sees senior officers responsible for the actions of civilians who make more

than he does, Admirals who receive no increase in retirement benefits for staying beyond thirty years. If the Ensign looks down he sees himself responsible for people making more than he. If he looks sideways he sees his friends calling him a sucker. Then he asks, "Why should I stay in?"[1]

Second, Congress has not seen fit to keep military compensation up to equivalent governmental salaries by the rank structure, let alone by responsibility.[2] It must appear to them that with the hump supply of senior officers, there was no need to raise the pay of senior officers. In addition when an officer serves ten or more years he has a vested interest in his retirement and as a careerist, hence he can be bought cheaply. (See Tables 11 through 19.[3]

Perhaps Congress looks askance at anyone who pleads for a pay increase where he or his superiors would personally benefit.

> ....Public opinion tends to cling to a traditional concept of the rules and duties of the military and its officers. On the opposite hand, it acknowledges the trend and magnitude of technological change evident in these epochal times....In the case of military management, the gulf be-

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[1] Supra., 19, Commission on Service Pay, 1948, p. 2.

[2] John Ford, "A Comparison of Military Pay and Benefits with those of U. S. Civilian Employees," Navy Times, (Washington, D. C.), February 1963.

[3] Infra., 100-108.

tween reality and public concept is even greater.[1]

....the difference between the character of the naval officer and other military officers lies in the degree to which he displays responsible initiative....if there was one difference between a Navy man, regardless of rank, he had some authority to make decisions, exercise initiative, and not buck every little question up to the captain or the colonel.[2]

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[1] Supra., 46, Defense Advisory Committee on Professional and Technical Compensation, 1957, p. 77.

[2] DeLa Mater, Stephen T., Commander, U. S. Navy, "The Navy Image", United States Naval Institute Proceedings, April 1963, p. 26.

PART III

THE DESIRE FOR INCREASED PAY AND ITS RELATION TO THE ECONOMICS OF FAMILY SEPARATION

INTRODUCTION TO PART THREE

The survey sample of Navy Officers on active duty was selected by assigned blocks of 1000 officers, each to Atlantic and Pacific Fleets, through their respective personnel accounting machine installation (PAMI) at Norfolk, Virginia and San Diego, California. Another block of 500 officers were assigned to (PAMI), continental United States at Bainbridge, Maryland. The PAMIs selected the individual officers by computer to get random selection with even distribution in the various parts of question 22 and by rank distribution, grades O-1 through O6, in accordance with the current navy rank distribution. (Survey date as of May 62).

EAM cards were prepared at PAMI's location and forwarded to the Bureau of Personnel, Navy Department, Washington, D. C. The Bureau after reproducing the cards and filing a set turned them over to the Department of Defense, Military Compensation Study Group. From a reproduction of this set of cards this study was made.

In making for this thesis an analysis of selected information from these cards over two hundred passes of the twenty-five hundred card deck were made or in excess of one half million individual card passes.

IBM 101, #84 and #85 card sorters were used and seven decks of cards were worn out.

The 101, printed out card information which was transferred by hand to a mimegraphed form which is shown in appendix D. When sorting was done on machines other than the IBM 101 the information was recorded directly to the subject form by hand.

CHAPTER IX

THE QUESTIONNAIRE

The questionnaire was designed by Colonel William H. Corbett, U.S.A., Mr. R. J. Potocko, and Mr. F. W. McCurdy, of the Department of Defense Study Group on Military Compensation. Revision for naval personnel was done by Mr. Mark Biegel, in charge of the Mobilization and Morale Research Program, Personnel Research Division, Bureau of Personnel, Navy Department.

The questionnaire contained forced choice answers to the questions which were designed for mechanical (EAM) and electronic (ADP) processing. That is, the respondent had to check one of the given answers to each question.

Of the thirty-eight questions asked, sixteen were control questions, which the respondent would answer the same way, no matter how often he was asked. An example is question "1": "If you received a temporary promotion on active duty during the period 16 May 1961 - 15 May 1962, how much active federal commissioned service had you completed at that time?

Of the twenty-five hundred officers surveyed, twenty-four hundred and fifty responses were available for this study. Where the number of responses to a question do not total the above number it is most likely due to one of the three following conditions: (1) the officer involved did not respond to the question, (2) key punch error, (3) or during the sorting process a

card might not pass through the sorter and would have to be reproduced. On occasion this would involve a delay, hence the run would be completed and the new card would be inserted into the deck during the run on the following question.

OFFICER PERSONNEL QUESTIONNAIRE (MCSG)5-62

1. If you received a temporary promotion on active duty during the period 16 May 1961 - 15 May 1962, how much active federal commissioned service had you completed at that time?

1	(66)	I am a warrant officer so this question does not apply to me
2	(1669)	I am a commissioned officer but did not receive a temporary promotion on active duty during this period
		I did receive a temporary promotion on active duty during 16 May 1961 - 15 May 1962 and I had completed the following ACTIVE Federal commissioned service at that time:
3	(78)	Less than 1 year
4	(260)	1 year but less than 2
5	(21)	2 years but less than 3
6	(22)	3 years but less than 4
7	(38)	4 years but less than 5
8	(6)	5 years but less than 6
9	(4)	6 years but less than 7
A	(3)	7 years but less than 8
B	(1)	8 years but less than 9
C	(27)	9 years but less than 10
D	(13)	10 years but less than 11
E	(9)	11 years but less than 12
F	(12)	12 years but less than 13
G	(8)	13 years but less than 14
H	(16)	14 years but less than 15
I	(8)	15 years but less than 16*
J		16 years but less than 17
K		17 years but less than 18
L		18 years but less than 19
M		19 years but less than 20
N		20 years but less than 21
O		21 years but less than 22
P		22 years or more

*Where no answers are shown no response was made to these questions.

2. If you are a commissioned officer and received a temporary promotion on active duty during the period 16 May 1961 - 15 May 1962, what was your age at the time of your promotion?

1 (68) I am a Warrant Officer so this question does not apply to me
2 (1633) I am a commissioned officer but did not receive a temporary promotion on active duty during this period
I did receive a temporary promotion on active duty during 16 May 1961 - 15 May 1962 and I was the following age at that time:

3	(215)	22 - 24	9	(24)	40 - 42
4	(74)	25 - 27	A	(14)	43 - 45
5	(49)	28 - 30	B	(4)	46 - 48
6	(93)	31 - 33	C	(1)	49 - 51
7	(80)	34 - 36	D		52 - 54
8	(58)	37 - 39	E		55 or older

3. What is the highest level of education which you expect someday to attain? (Include GED equivalent) Check one only.

1 (199) I do not expect to take any more educational courses or training

I expect at some future date to:
2 (9) Complete grammar school
3 (9) Graduate from high school
4 (16) Graduate from a vocational or trade school
5 (86) Complete two years of college
6 (400) Graduate from college (AB, BS)
7 (82) Graduate from law school (LL .B)
8 (909) Obtain a masters degree (MA, MS, ETC.)
9 (256) Obtain a doctoral degree (PhD, DSc, DEd, etc.)
A (20) Obtain a degree in medicine (MD)
B (121) Obtain some other graduate degree
C (321) Take courses not leading to a diploma or degree

4. What is the highest rank which you someday hope to attain?

1 (193) Lieutenant J. G.
2 (168) Lieutenant
3 (261) Lt Commander
4 (493) Commander
5 (589) Captain
6 (157) Rear Admiral (lower)
7 (185) Rear Admiral (upper)
8 (38) Vice Admiral
9 (258) Admiral

5. Do you expect to make more or less use of your skills and abilities after you leave or retire from the Navy than you have used or will use these skills in the Navy?

1 (764) More use of my skills and abilities after I leave the Navy
2 (203) Less use of my skills and abilities after I leave the Navy
3 (1135) About the same use of my skills and abilities after I leave the Navy
4 (324) Don't know

6. How much do you think your training and experiences in the Navy will help you in the work you will do in civilian life?

1 (1619) Will probably help a great deal
2 (528) Will probably help somewhat
3 (89) Will probably help very little
4 (31) Will probably not help at all
5 (122) Have no idea how much it will help
6 (48) Don't plan on working in civilian life

7. The Navy has a program which provides for appointing selected enlisted men in grade E-6 or higher with over eight years of service to Ensign.

These commissioned individuals can complete their military careers, up to the total of 30 years of service, as officers and retire as officers, up to the maximum grade of Commander, if they have served ten or more years in officer status.

Do you believe this program attracts more well qualified enlisted men to stay in the Navy?

1 (1875) Yes, and is in the best interests of the service
2 (164) Yes, but is not in the best interests of the service
3 (204) No

4 (175) No opinion

8. If you were soon to leave the Navy, how difficult do you think it would be to find a job equal to your present one? (Equal as to pay, satisfaction, benefits interest, challenge, etc.)

1 (573) Very easy

2 (653) Fairly easy
3 (606) Fairly difficult
4 (306) Very difficult
5 (294) Don't know how difficult it would be

9. What do you expect to do when you leave active duty in the Navy?

Check one only

1 (92) Haven't thought much about it
2 (561) Have thought about it, but have no definite plans
Have thought about it, and probably will engage in:
3 (337) Attending college
4 (133) My own business
5 (354) Managerial work
6 (84) Sales
7 (5) Clerical work
8 (14) Skilled craft (carpenter, plumber, etc.)
9 (95) Technical work (electronics, X-ray, etc.)

A (242) Teaching
B (15) Farming
C (55) Government service
D (2) Factory work
E (319) Professional (doctor, lawyer, etc.)
F (101) Other work than listed above
G (20) Will probably not work

10. Have you decided to make the Navy your career?

A (1497) I definitely will make the Navy my career.

B (416) I definitely will <u>not</u> make the Navy my career.

I am undecided but would be more likely to make the Navy my career if:

(Mark only the <u>one</u> condition which would have the <u>most</u> influence on your decision)

C (24) My present billet was changed
D (22) My present station was changed
E (29) My contribution to national defense was greater
F (56) My promotion opportunity was improved
G (91) My pay and allowances were sufficient to meet the demands of a Navy career
H (3) I was sure that the Navy would give me a separation bonus if I were ever involuntarily discharged

I (6) Fringe benefits, such as commissaries, dependent medical care, etc. were improved
J (21) I had a better social opportunity and more personal freedom in the Navy
K (97) I could have my dependents with me more of the time
L (24) My opportunities for travel and new experiences was greater
M (92) Changes other then above were made

B.** Which of the above letters (C through L) do you consider the condition which would have the second most influence on your decision? Write the letter you select in the space below.

* _____ is the second most influential condition

*The response to this question was as follows:

C (26) My present billet was changed
D (53) My present station was changed
E (73) My contribution to national defense was greater
F (175) My promotion opportunity was improved
G (292) My pay and allowances were sufficient to meet the demands of a Navy career
H (23) I was sure that the Navy would give me a separation bonus if Iwere ever involuntarily discharged
I (58) Fringe benefits, such as commissaries, dependent medical care, etc. were improved
J (53) I had a better social opportunity and more personal freedom in the Navy
K (153) I could have my dependents with me more of the time
L (47) My opportunities for travel and new experiences was greater
M (52) Changes other than above were made

C. Which of the above letters (C through L) do you consider the condition which would have the least influence on your decision? Write the letter you select in the space below.

* _____ is the least influential condition.

*The response to this question was as follows:

**Many officers did not respond to parts B and C of question 10. It is assumed that they are primarily the ones who answered A, "I definitely will make the Navy my career."

C (147) My present billet was changed
D (112) My present station was changed
E (42) My contribution to national defense was greater
F (11) My promotion opportunity was improved
G (19) My pay and allowances were sufficient to meet the demands of a Navy career
H (249) I was sure that the Navy would give me a separation bonus if I were ever involuntarily discharged
I (90) Fringe benefits, such as commissaries, dependent medical care, etc. were improved
J (186) I had a better social opportunity and more personal freedom in the Navy
K (40) I could have my dependents with me more of the time
L (116) My opportunities for travel and new experiences was greater

11. Have you decided to leave the Navy before retirement?

A (1513) I definitely will make the Navy my career, and stay in the Navy until retirement.
B (434) I definitely will not make the Navy my career, and will leave the Navy before my retirement date.

I am undecided but would be more likely to leave the Navy before retirement if:

(Mark only the one condition which would have the most influence on your decision)

C (7) My present billet was changed
D (5) My present station was changed
E (193) My promotion opportunities were less
F (90) My pay and allowances were less than I expect to get
G (13) My pay on retirement was less
H (10) Fringe benefits, such as, commissaries, and dependent medical care, etc. were decreased
I (32) I had less personal freedom and fewer social opportunities
J (67) I cannot have my dependents with me as such as I have had
K (21) My opportunities for travel and new experiences were less
L (56) Changes other than those above were made

B. Which of the above letters (C through K) do you consider the condition which would have the second most influence on your decision? Write the letter you select in the space below.

_____* is the second most influential condition.

*The response to this question was as follows:

C	(22)	My present billet was changed
D	(20)	My present station was changed
E	(136)	My promotion opportunities were less
F	(217)	My pay and allowances were less than I expect to get
G	(108)	My pay on retirement was less
H	(39)	Fringe benefits, such as, commissaries, and dependent medical care, etc.
I	(68)	I had less personal freedom and fewer social opportunities
J	(130)	I cannot have my dependents with me as such as I have had
K	(44)	My opportunities for travel and new experiences were less

C.**Which of the above letters (C through K) do you consider the condition which would have the least influence on your decision? Write the letter you select in the space below.

_____* is the least influential condition.

*The response to this question was as follows:

C	(183)	My present billet was changed
D	(162)	My present station was changed
E	(11)	My promotion opportunities were less
F	(17)	My pay and allowances were less than I expect to get
G	(34)	My pay on retirement was less
H	(95)	Fringe benefits, such as, commissaries, and dependent medical care, etc. were decreased
I	(151)	I had less personal freedom and fewer social opportunities
J	(41)	I cannot have my dependents with me as such as I have had
K	(164)	My opportunities for travel and new experiences were less

12. If your total compensation (pay, allowances, and benefits) were increased how would you like to receive the increase?

** Many officers did not respond to parts B and C of Question 11. It is assumed that they are primarily the ones who answered "A", "I definitely will make the Navy my career, and stay in the Navy until retirement."

(Select Only One Answer)

1 (760) In base pay
2 (527) In allowances (quarters, subsistence, etc.)
3 (301) In pay and allowances
4 (10) In special bonuses
5 (42) In a lump sum upon separation or retirement
6 (134) In more retired pay
7 (9) In fringe benefits (dependent medical care, commissaries, etc.)
8 (28) In pay, allowances, and special bonuses
9 (57) In pay, allowances, and lump sum for release or retirement
A (110) In pay, allowances, and fringe benefits
B (428) In pay, allowances, and retired pay
C (18) In some way or combination of ways not listed above

13. Assume that there might be an increase of retirement compensation. If your compensation upon retirement from the Navy were increased, what kind of an increase would you prefer?

If I could choose, I would prefer an increase of:

1 (1273) $100 per month increase in my pension
2 (543) $50 per month increase in my pension and $5,000 in a lump sum payment upon retirement
3 (568) No increase in pension, and a $10,000 lump sum payment upon retirement

14. Where are your dependents now living?

1 (502) I have no dependents, therefore this question does not apply to me
My dependents (dependent) live:
2 (251) With me in quarters which are furnished by the government
3 (731) With me in quarters owned by me
4 (718) With me in rented quarters
5 (10) Away from me in quarters which are furnished by the government
6 (30) Away from me in quarter owned by me
7 (129) Away from me in rented quarters

15. Are you and your dependents satisfied with your present quarters?

1 (1526) Yes
2 (644) No

16. Are you now drawing a basic allowance for quarters?

1 (1797) Yes
2 (591) No

3 (5) I draw only part of my allowance
4 (2) I don't know

17. When do you plan to voluntarily retire from active military service?

1 (628) I do not intend to stay in the Navy until retirement

I intend to retire when I have completed the following number of years of Active Federal Military Service:

2 (368) 20 or more but less than 22
3 (188) 22 or more but less than 24
4 (161) 24 or more but less than 26
5 (142) 26 or more but less than 28
6 (93) 28 or more but less than 30
7 (763) 30 or more

18. How much do you think your annual income will be two years after you leave the Navy? (Do not include, retired pay.)

1 (113) I do not expect to work

I expect to work and earn:
2 (31) Less than $2,000
3 (17) $2,000 to 2, 499
4 (16) $2,500 to 2,999
5 (13) $3,000 to 3,599
6 (36) $3,500 to 3,999
7 (62) $4,000 to 4,499
8 (98) $4,500 to 4,999

9 (304) $5,000 to 5,999
A (335) $6,000 to 6,999
B (296) $7,000 to 7,999
C (366) $8,000 to 9,999
D (477) $10,000 to 14,999
E (159) $15,000 to 24,999
F (40) $25,000 and over

19. After leaving the Navy what do you think your annual income will be at the peak of your civilian career? (Do not include retired pay)

1 (62) I do not expect to work

I expect to work and earn:

2 (13) Less than $2,000
3 (6) $2,000 to 2,499
4 (7) $2,500 to 2,999
5 (9) $3,000 to 3,599
6 (11) $3,500 to 3,999
7 (19) $4,000 to 4,499
8 (23) $4,500 to 4,999

9 (137) $5,000 to 5,999
A (93) $6,000 to 6,999
B (116) $7,000 to 7,999
C (238) $8,000 to 9,999
D (699) $10,000 to 14,000
E (558) $15,000 to 24,999
F (298) $25,000 and over

20. During the past four weeks, on the average, how many hours per week did you spend working on military duties?

1 (357) During the past four weeks I was absent from my regular place of duty for more than two working days and the following choices do not apply to me

The number of hours per week I worked on duty were:

2 (195) 40 or less hours
3 (317) 41 to 45 hours
4 (395) 46 to 50 hours
5 (303) 51 to 55 hours
6 (267) 56 to 60 hours
7 (148) 61 to 65 hours
8 (139) 66 to 70 hours
9 (64) 71 to 75 hours
A (225) Over 75 hours

21. Mark an "X" in the space that represents your total active federal commissioned service completed as of 15 May 1962:

1 (44) I am a warrant officer with no active Federal commissioned service, so this question does not apply to me
I have completed the following Active Federal commissioned service:

2 (310) Less than 1 year
3 (359) 1 year but less than 2
4 (212) 2 years but less than 3
5 (122) 3 years but less than 4
6 (69) 4 years but less than 5
7 (98) 5 years but less than 6
8 (78) 6 years but less than 7
9 (66) 7 years but less than 8

A (73) 8 years but less than 9
B (83) 9 years but less than 10
C (71) 10 years but less than 11
D (55) 11 years but less than 12
E (44) 12 years but less than 13
F (45) 13 years but less than 14
G (59) 14 years but less than 15
H (49) 15 years but less than 16
I (72) 16 years but less than 17
J (78) 17 years but less than 18
K (101) 18 years but less than 19
L (111) 19 years but less than 20
M (86) 20 years but less than 21
N (43) 21 years but less than 22
O (18) 22 years but less than 23
P (73) 23 years or more

Answer only that part of the following question which applies to you according to the last digit in your service number.

Only personnel with Service Number ending in 0 or 1 answer 22A.

22A. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $50 per month for your present pay grade.

1 (320) Yes
2 (196) No

Only personnel with Service Number ending in 2 or 3 answer 22B.

22B. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $100 per month for your present pay grade?

1 (417) Yes

2 (60) No

Only personnel with Service Number ending in 4 or 5 answer 22C.

22C. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $200 per month for your present pay grade?

1 (429) Yes

2 (39) No

Only personnel with Service Number ending in 6 or 7 answer 22D.

22D. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $300 per month for your present pay grade?

1 (442) Yes

2 (38) No

Only personnel with Service Number ending in 8 or 9 answer 22E.

22E. Assume that a general increase in pay and allowances could be made, for all pay grades, for what increase in dollars per month for your present pay grade, would you stay in the Navy or consider it an incentive for others to stay in the Navy?

1 (79) $50 per month

2 (210) $100 per month

3 (108) $200 per month

4 (49) $300 per month

23. Are you Regular or Reserve?

1 (1644) Regular

2 (760) Reserve

23A. What is your designator?

@

For the purpose of this study the response to this question was broken down.

@ 1 (1539) 640* 161* 761* 764* 766*

2 (182) 110*

3 (195) 210* 220* 230* 290*

4 (20) 162*

5 (61) 410*

6 (310) 131* 138*

7 (89) All other groups

*0 for Regulars
5 for Reserves
7 for Tars, etc.

24. What is your present rank?

1 (388) Ensign
2 (572) Lt JG
3 (554) Lt
4 (430) Lt CDR
5 (294) CDR
6 (95) CPT

25. What are your plans for your Navy Career?

1 (1613) I prefer to remain on active duty indefinitely or until retirement
2 (423) I prefer to remain on active duty only until I complete my present commitment
3 (104) I would prefer to separate immediately
4 (275) I am undecided

26. When you first entered the Navy what were your Navy career plans?

1 (802) Intended to make the Navy my career
2 (117) Intended to stay in the Navy a while longer than my obligated tour
3 (582) Intended to serve a minimum tour (or wartime duration plus 6 months)

4 (91) Hadn't thought about it
5 (842) Was undecided and waited to see how well I would like the Navy

27. Are you presently enrolled in an off-duty education program leading to a graduate college degree with an accredited civilian institutions?

1 (2188) No

Yes, and have completed:

2 (104) Less than 15 semester hours
3 (46) 16 - 29 semester hours
4 (18) 30 - 44 semester hours
5 (16) 45 - 59
6 (21) 60 - 74

7 (9) 75 - 89 semester hours
8 (5) 90 - 104
9 (10) 105 - 119
A - 120 - 134
B - 135 and over

28. How does your immediate family feel about your making a career in the Navy?

1 (715) Like it very much
2 (674) Like it

3 (580) Neutral
4 (250) Dislike it

5 (97) Dislike it very much
6 (71) Don't know

29. When was your initial entry on active duty as a commissioned officer?

1 (19) Never served as a commissioned officer

2 (636) Before July 1947
3 (20) Jul 47 - Jun 48
4 (44) Jul 48 - Jun 49
5 (30) Jul 49 - Jun 50
6 (81) Jul 50 - Jun 51
7 (66) Jul 51 - Jun 52
8 (82) Jul 52 - Jun 53
9 (85) Jul 53 - Jun 54

A (75) Jul 54 - Jun 55
B (90) Jul 55 - Jun 56
C (108) Jul 56 - Jun 57
D (86) Jul 57 - Jun 58
E (132) Jul 58 - Jun 59
F (293) Jul 59 - Jun 60
G (286) Jul 60 - Jun 61
H (292) After June 1961

30. What is your highest level of education now? (Count GED Credit which has been accepted by a college, if any)

1 (22) Less than high school graduate
2 (279) High school graduate

3 (180) Less than two years college
4 (5) Registered Nurse diploma
5 (327) Two years or more of college, no bachelor degree
6 (1085) College degree (BS, BA or equivalent, except LL.B)
7 (24) Law degree (LL.B)
8 (181) Postgraduate work beyond bachelor degree
9 (184) Master's degree
A (10) Doctorate degree
B (120) Medical or dental degrees (MD, DDS, Vet'n, etc.)

31. Through which of the following officer procurement programs did you receive your commission?

1 (278) Naval Academy
2 (277) Naval Aviation Cadet
3 (198) NROTC (Regular)
4 (118) NROTC (Contract)
5 (48) ROC
6 (543) OCS
7 (217) Direct procurement
8 (737) Program other than listed above

32. Would an opportunity to obtain a graduate education at Navy expense cause you to more favorably consider a regular Navy commission?

1 (1405) Now hold a regular commission
2 (372) Yes, it certainly would
3 (184) Yes, it probably would

4 (81) Undecided

5 (216) No, it probably would not
6 (103) No, it certainly would not

33. How old were you on your last birthday?

1 (13) 21 years or less
2 (61) 22 years old
3 (208) 23
4 (208) 24
5 (171) 25
6 (99) 26
7 (90) 27
8 (65) 28
9 (61) 29
A (69) 30
B (101) 31 years old
C (102) 32
D (87) 33
E (93) 34
F (72) 35
G (86) 36
H (89) 37
I (75) 38
J (111) 39
K (102) 40

L	(110)	41 years old
M	(60)	42
N	(59)	43
O	(29)	44
P	(59)	45
Q	(41)	46
R	(27)	47
S	(18)	48
T	(12)	49 years old
U	(6)	50
V	(7)	51
W	(7)	52
X	(2)	53
Y	(4)	54
Z	(10)	55 or older

34. How many months of active federal military service do you have in your present grade level?

1	(123)	Less than 4 months
2	(300)	4 thru 7 months
3	(442)	8 thru 12 months
4	(240)	13 thru 17 months
5	(283)	18 thru 23
6	(180)	24 thru 29
7	(147)	30 thru 35
8	(76)	36 thru 41
9	(83)	42 thru 47
A	(127)	48 thru 53
B	(108)	54 thru 59
C	(69)	60 thru 65
D	(58)	66 thru 71
E	(36)	72 thru 77
F	(29)	78 thru 83
G	(21)	84 thru 89
H	(29)	90 thru 95
I	(78)	96 or more months

35. Marital status and dependents.

Male and:

Married, having:

1	(277)	Wife and no dependent children
2	(359)	Wife and 1 dependent child
3	(530)	Wife and 2 dependent children
4	(377)	Wife and 3 dependent children
5	(224)	Wife and 4 dependent children
6	(71)	Wife and 5 dependent children
7	(34)	Wife and 6 dependent children
8	(22)	Wife and 7 or more dependent children

Not married, (widowed, divorced, legally separated or never married) having:

9 (449) No dependents
A (25) One dependent
B (4) Two dependents
C (7) Three or more dependents

Female and:

D (30) Not married (widowed, divorced, legally separated or never married)

Married and my husband is:

E (2) A Navy officer or warrant officer
F (1) A Navy enlisted man
G - A member of the Army, Air Force, or Marine Corps
H (1) A civilian

36. How many dependents do you have? (Include wife, dependent children, adopted or stepchildren, parents, step-parents and other adults. Do not include yourself.)

Ø (494) None

1 (297) One
2 (345) Two
3 (514) Three
4 (400) Four
5 (234) Five
6 (83) Six
7 (39) Seven
8 (12) Eight
9 (13) Nine or more

37. How many dependents do you have of the following types?

A. Dependent children
(Unmarried children including stepchildren and adopted children)

Ø (764) None

1 (356) One
2 (520) Two
3 (379) Three
4 (233) Four
5 (74) Five
6 (36) Six
7 (12) Seven
8 (12) Eight or more

B. Dependent parents
(Include stepparents or parents by adoption)

Ø (2099) None

1 (85) One
2 (13) Two
3 - Three
4 - Four or more

C. Wife and other dependent adults
(Include any other dependent person related to you by blood, marriage, or adoption)

Ø (640) None

1 (1584) One
2 (40) Two
3 (3) Three
4 (4) Four or more

38. How many years of active federal military service have you completed? (Include all active enlisted, warrant and commissioned service on all tours.)

1 (208) Less than 1 year
2 (204) 1 year
3 (219) 2 years
4 (108) 3 years

5 (58) 4 years
6 (62) 5 years
7 (61) 6 years
8 (70) 7 years

9 (48) 8 years
A (55) 9 years
B (78) 10 years
C (59) 11 years

D (41) 12 years
E (64) 13 years
F (90) 14 years
G (70) 15 years

H (88) 16 years
I (87) 17 years
J (122) 18 years
K (190) 19 years

L (114) 20 years
M (96) 21 years
N (64) 22 years
O (19) 23 years

P (31) 24 years
Q (20) 25 years
R (30) 26 years
S - 27 years

T (21) 28 years
U (16) 29 years
V (4) 30 years and over

39. What is your file number? (For statistical control purposes only.)

_____

CHAPTER X

CAREER INTENTIONS

In attempting to analyze the questionnaire several basic assumptions were made. One of these is that the officer who has not yet decided to become a career officer can be influenced by money. Until the average naval officer has about eight years service he has not yet developed the patriotism, or esprit de corps which will keephim in the service under adverse financial conditions.

Many persons would be taken back by such a remark as to a naval officer's interest in money. These same self-righteous individuals also think it is improper to offer ministers money for services, as it is too materialistic. Every material thing in the world, and especially the necessities of life, are measured in the common denominator of the dollar or its equivalent. The officer who does not consider money, and the necessity for it, does not acknowledge his responsibilities. Nor, does he consider the welfare of his dependents.

It is recognized that some people would not accept a service career under any circumstances, due to family reasons or almost total incompatibility with service life. However, some officers who respond "no" to a service career, as well as those who are undecided, attach various degrees of importance to the disutilities of service life. While often they must focus their answer upon one specific

item when responding to a questionnaire, it is believed that their decisions are balanced between various positive and negative factors.

Another assumption is that after an officer decides to become a career officer he will as likely as not answer "no" to a question such as "22A" on the questionnaire. "Assume that a general increase in pay and allowances could be made, for all pay grades, would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $50 per month for your present pay grade?" This author, with no intention of leaving the Navy, considers a fifty dollar raise no incentive to remain. And if a fellow officer's (Lieutenant Commander grade) decision hung on a fifty dollar raise there would be no advice to stay in coming from this quarter.

It was also assumed that where a choice of salary increase such as question "22F", not all would choose three hundred dollars. "Assume that a general increase in pay and allowances could be made, for all pay grades; for what increase in dollars per month for your present pay grade, would you stay in the Navy or consider it an incentive for others to stay in the Navy?" The reasoning here is that the officers concerned know full well such an increase for all officers in his pay grade is not warranted nor is such a pay raise in keeping with the national economy.

Based on the preceding assumptions, it was decided

to sort the responses to question "22" into twelve decks as follows:

Deck	Response
I	Yes to fifty dollars
II	No to fifty dollars
III	Yes to one hundred dollars
IV	No to one hundred dollars
V	Yes to two hundred dollars
VI	No to two hundred dollars
VII	Yes to three hundred dollars
VIII	No to three hundred dollars
IX	Chose fifty dollars
X	Chose one hundred dollars
XI	Chose two hundred dollars
XII	Chose three hundred dollars

Then, to conduct the analysis and evaluation in a certain framework, it was assumed that those officers who were allowed to consider certain amounts of money would have different thoughts about a naval career.

The assumption that an officer's values, that is, the utility or disutility of pay and allowances change as salary increases, is assumed to be valid. For, he will suffer greater inconvenience if he can better provide for his dependents; witness Maslow's hierarchy of basic sociological needs.[1]

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[1]Douglas McGregor, The Human Side of Enterprise (New York - London: McGraw-Hill, 1960)

Date	Comment
2	[illegible]
10	[illegible]
11	[illegible]
14	[illegible]
5	[illegible]
12	[illegible]
20	[illegible]
19	[illegible]
14	[illegible]
15	[illegible]
7	[illegible]
17	[illegible]
18	[illegible]

After the above classification was accomplished, each deck was further sorted by pay grade and then again, by the alternative responses to question ten. "Have you decided to make the Navy your career?" These frequencies were converted to percentages and are shown, in tabular form. The "yes" and "no" response to question "22" equals one hundred per cent for each alternative answer to question ten, as outlined below. See Tables 11 thru 19.[1]

It was considered sufficient for this study to group the results into categories: "A", Careerists; "B", Non-Careerists; "G", Undecided Careerists on Pay and Allowances; "K", Undecided on more time with Dependents; C thru F plus H thru J and L, M, as all otherss, Undecided on other Reasons; and C thru M, Total Undecideds.

When analyzing the tables it must be remembered that those who answered yes or no to dollars had no alternative as to the amount.

When looking at the responses of the junior officers, one might wonder about the junior officer who says "no" to three hundred dollars when given the chance of four dollar amounts. It must be remembered that there was just one way for him to say "no" to a naval career--by selecting the highest dollar amount. For the junior

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[1] Infra., pp. 100-108.

officers who had a choice of yes or no to a dollar amount, saying no to $300 can be considered a rejection of a naval career by the non-careerist and wishful thinking on the part of the careerists.

In viewing the responses of the Lieutenant Commander through Commander grades it becomes evident that these officers for the most part regard themselves as careerists. Their "no" answer to dollars could be either that they think the amount is inadequate, or they have made retirement plans.

Captains and Commanders who responded as other-than-careerists were so few that it is concluded most Captains and Commanders had resolved all of the listed "other" reasons why officers are undecided about a career.

TABLE 11

CAREER INTENTIONS - ENSIGN

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	67	82	77	39	67	67	83
No to $50	33	18	23	61	33	33	17
Total	100	100	100	100	100	100	100
Yes to $100	82	100	95	60	78	100	100
No to $100	18	-	5	40	22	-	-
Total	100	100	100	100	100	100	100
Yes to $200	92	100	94	86	100	75	100
No to $200	8	-	6	14	-	25	-
Total	100	100	100	100	100	100	100
Yes to $300	89	89	100	76	100	100	100
No to $300	11	11	-	24	-	-	-
Total	100	100	100	100	100	100	100
$50	22	54	18	9	-	25	20
Choice $100	35	38	41	23	83	50	28
of $200	20	-	23	27	-	25	28
$300	23	8	18	41	17	-	24
Total	100	100	100	100	100	100	100

TABLE 12

CAREER INTENTIONS - LIEUTENANT J.G.

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	62	75	73	40	80	75	71
No to $50	38	25	27	60	20	25	29
Total	100	100	100	100	100	100	100
Yes to $100	86.4	93	96	73.5	100	100	94
No to $100	13.6	7	4	26.5	-	-	6
Total	100	100	100	100	100	100	100
Yes to $200	91	94	96	82.5	100	100	93
No to $200	9	6	4	17.5	-	-	7
Total	100	100	100	100	100	100	100
Yes to $300	91	100	94	79	100	100	90
No to $300	9	-	6	21	-	-	10
Total	100	100	100	100	100	100	100
$50	19	32	22	-	-	14	33
Choice $100	53	47	56	59	75	57	50
of $200	24	21	22	30	25	29	17
$300	4	-	-	11	-	-	-
Total	100	100	100	100	100	100	100

TABLE 13

CAREER INTENTIONS - LIEUTENANT

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	68	77	61	73	40	33	83
No to $50	32	23	39	27	60	67	17
Total	100	100	100	100	100	100	100
Yes to $100	93	97	92	50	100	-	92
No to $100	7	3	8	50	-	-	8
Total	100	100	100	100	100	-	100
Yes to $200	89	98	89	56	100	60	93
No to $200	11	2	11	44	-	40	7
Total	100	100	100	100	100	100	100
Yes to $300	92	95	100	73	100	100	100
No to $300	8	5	-	27	-	-	-
Total	100	100	100	100	100	100	100
$50	21	23	24	7	40	-	20
Choice $100	48	56	35	14	20	100	30
of $200	24	18	35	43	20	-	50
$300	7	3	6	36	20	-	-
Total	100	100	100	100	100	100	100

TABLE 14

CAREER INTENTIONS - LIEUTENANT COMMANDER

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	59.5	61	43	-	-	-	60
No to $50	40.5	39	57	-	100	-	40
Total	100	100	100	-	100	-	100
Yes to $100	86	90	57	67	100	-	40
No to $100	14	10	43	33	-	-	60
Total	100	100	100	100	100	-	100
Yes to $200	93	95	75	50	100	100	50
No to $200	7	5	25	50	-	-	50
Total	100	100	100	100	100	100	100
Yes to $300	94	93	100	100	100	-	100
No to $300	6	7	-	-	-	-	-
Total	100	100	100	100	100	-	100
Choice $50	12	12	17	-	-	-	25
Choice $100	54	55	33	-	1	-	25
Choice $200	25	24	33	-	-	1	25
Choice $300	9	9	17	-	-	-	25
Total	100	100	100	-	-	-	100

NOTE: Where numbers 1 or 2 are shown they are the actual number of responses. They can not be considered a valid sampling.

TABLE 15

CAREER INTENTIONS - COMMANDER

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	53	51	67	1	-	-	2
No to $50	47	49	33	-	1	-	-
Total	100	100	100	-	-	-	-
Yes to $100	89	92	1	-	1	-	-
No to $100	11	8	-	2	-	-	-
Total	100	100	-	-	-	-	-
Yes to $200	92.5	98	67	50	100	-	50
No to $200	7.5	2	33	50	-	-	50
Total	100	100	100	100	100	-	100
Yes to $300	91.5	92.5	100	50	1	1	100
No to $300	8.5	7.5	-	50	-	-	-
Total	100	100	100	100	-	-	100
Choice of $50	15.5	16	-	-	-	-	-
Choice of $100	42	41	1	-	1	-	-
Choice of $200	27	27	-	-	-	-	-
Choice of $300	15.5	16	-	-	-	-	-
Total	100	100	-	-	-	-	-

NOTE: Where numbers 1 or 2 are shown they are the actual number of responses, and can not be considered a valid sampling.

TABLE 16

CAREER INTENTIONS - CAPTAIN

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	40	40	-	-	-	-	-
No to $50	60	60	-	-	-	-	-
Total	100	100	-	-	-	-	-
Yes to $100	94	93	100	1	100	-	-
No to $100	6	7	-	-	-	-	-
Total	100	100	100	-	100	-	-
Yes to $200	100	100	1	-	1	-	-
No to $200	-	-	-	-	-	-	-
Total	100	100	-	-	-	-	-
Yes to $300	100	100	100	-	-	-	1
No to $300	-	-	-	-	-	-	-
Total	100	100	100	-	-	-	-
Choice $50	14	15.5	-	-	-	-	-
Choice $100	29	23	1	-	-	-	1
Choice $200	43	46	-	-	-	-	-
Choice $300	14	15.5	1	-	-	-	-
Total	100	100	-	-	-	-	-

NOTE: Where numbers 1 or 2 are shown they are the actual number of responses. They can not be considered a valid sampling.

TABLE 17

CAREER INTENTIONS - 1100 OFFICERS*

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	58	65	72	38	75	65	74
No to $50	42	35	28	62	25	35	26
Total	100	100	100	100	100	100	100
Yes to $100	84	94	89	64	93	100	84
No to $100	16	6	11	36	7	-	16
Total	100	100	100	100	100	100	100
Yes to $200	91	96	95	82	100	87	97
No to $200	9	4	5	18	-	13	3
Total	100	100	100	100	100	100	100
Yes to $300	92	98	100	80	100	100	100
No to $300	8	2	-	20	-	-	-
Total	100	100	100	100	100	100	100
$50	15	16	16	12	12.5	14	17
Choice $100	48	56	44	39	75	50	34
of $200	23	19	28	25	12.5	36	29
$300	14	9	12	24	0	-	20
Total	100	100	100	100	100	100	100

* Includes Reserves, TARs, etc.

TABLE 13

CAREER INTENTIONS - 1300 OFFICERS*

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	72	74	64	-	-	33	75
No to $50	28	26	36	-	-	67	25
Total	100	100	100	-	-	100	100
Yes to $100	92	94	80	-	-	-	80
No to $100	8	6	20	100	-	-	20
Total	100	100	100	100	-	-	100
Yes to $200	96	97	90	-	100	75	100
No to $200	4	3	10	-	-	25	-
Total	100	100	100	-	100	100	100
Yes to $300	96	97	100	75	-	100	100
No to $300	4	3	-	25	-	-	-
Total	100	100	100	100	-	100	100
Choice of $50	19	20	22	-	-	-	34
Choice of $100	43	45	33	25	-	67	16
Choice of $200	29	25	45	75	-	33	50
Choice of $300	9	10	-	-	-	-	-
Total	100	100	100	100	-	100	100

* Includes Reserves, TARs, etc.

TABLE 19

CAREER INTENTIONS - ALL OTHER OFFICERS

Response in Percentages	Total of $50 Resp.	Careerists	Total Undecided	Non-Careerists	Undecided for Dollars	Undecided for Dependents' Separation	Undecided for Other Reasons
Yes to $50	62	66	67	65	42	-	72
No to $50	38	34	33	35	58	100	28
Total	100	100	100	100	100	100	100
Yes to $100	90	92	91	70	86	100	91
No to $100	10	8	9	30	14	-	9
Total	100	100	100	100	100	100	100
Yes to $200	91	96	90	65	100	75	87
No to $200	9	4	10	35	-	25	13
Total	100	100	100	100	100	100	100
Yes to $300	91	92	96	62	100	100	93
No to $300	9	8	4	38	-	-	7
Total	100	100	100	100	100	100	100
$50	21	25	14	9	9	33-1/3	14
Choice $100	43	45	43	30	55	33-1/3	36
of $200	26	25	25	35	18	-	36
$300	10	5	18	26	18	33-1/3	14
Total	100	100	100	100	100	100	100

The next step was to take the responses to question ten and compute them into common-size percentages for each of the twelve decks. Some of these have been charted to give a visual display of the results and their significance.

It was decided to chart only the three officer grades, Ensign through Lieutenant, inasmuch as the three grades, Lieutenant Commander through Captain, are considered careerists.

One of the basic theories of this thesis is that as dollars (salaries) go up, more and more of those who are undecided will become careerists. This also applies to some of the individuals who at the present salary level say "no" to a naval career.

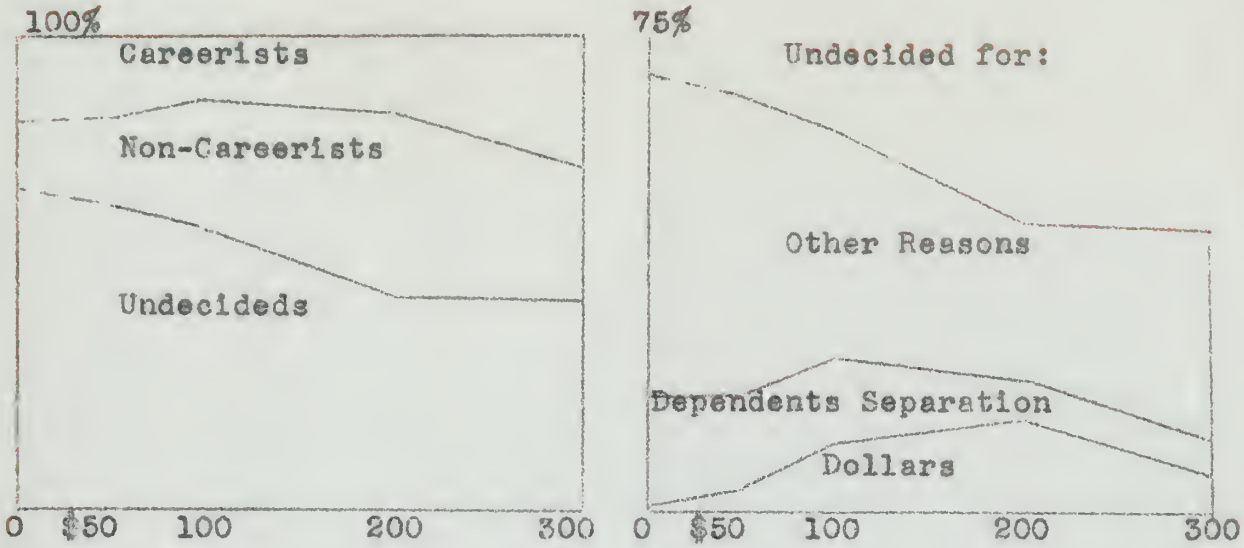
An adequate test of this theory can be made by comparing the retention rates within a year before and after each pay raise.

It is believed possible that from a given officer strength it is possible from these charts to determine what amount of renumeration is required to retain the required percentage or numbers of officers to fill the grade structure.

TABLE 20

ENSIGNS

WHO ANSWERED YES TO DOLLARS



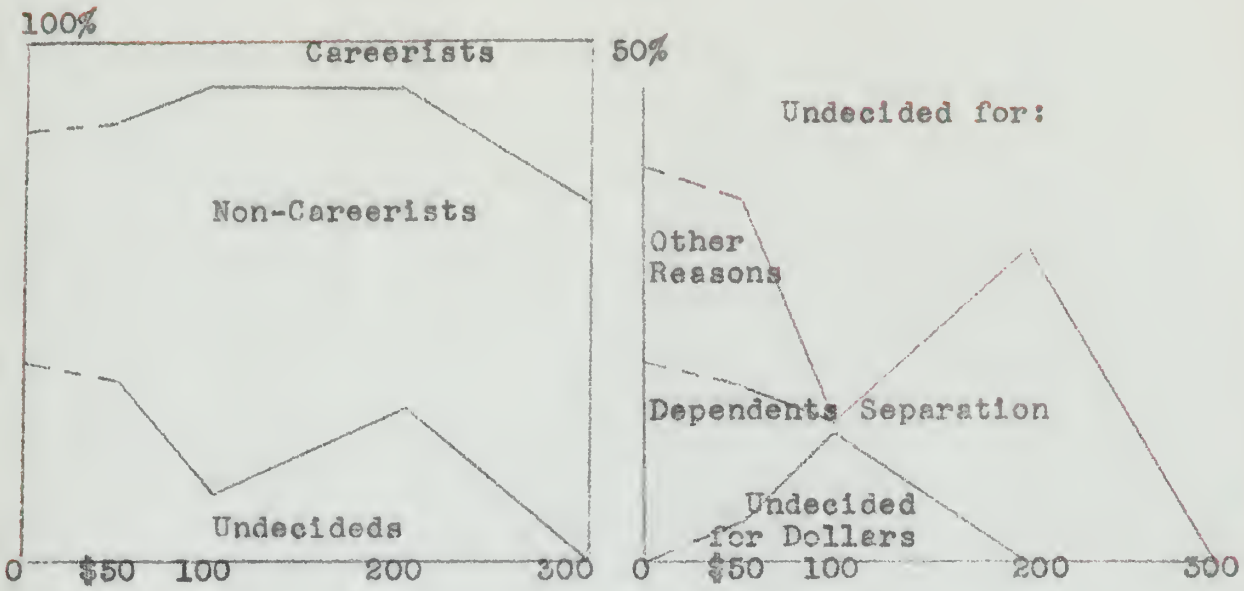
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	17	12	15	27.5
Non-Careerists	17	28	39	27.5
Total Undecideds	65	60	46	45
Undecided for Other Reasons	46	35	25	33
Undecided for Dependents' Separation	15	14	9	5
Undecided for Dollars	4	11	12	7



TABLE 21

ENSIGNS

WHO ANSWERED NO TO DOLLARS



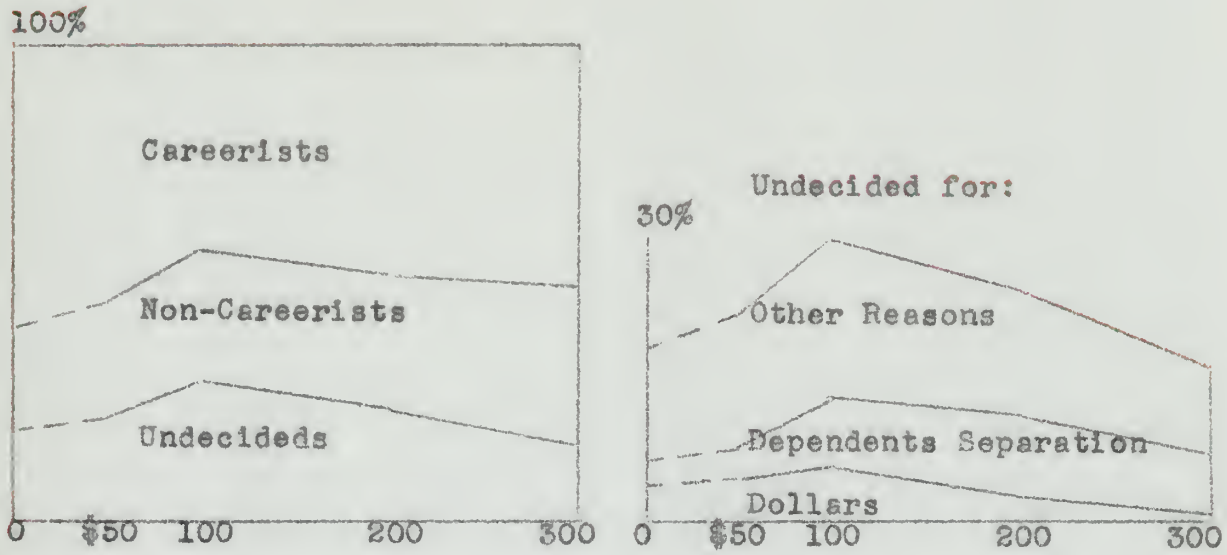
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	8	-	-	29
Non-Careerists	54	86	67	71
Total Undecideds	38	14	33	-
Undecided for Other Reasons	19	-	-	-
Undecided for Dependents' Separation	15	-	33	-
Undecided for Dollars	4	14	-	-



TABLE 22

LIEUTENANTS JUNIOR GRADE

WHO ANSWERED YES TO DOLLARS



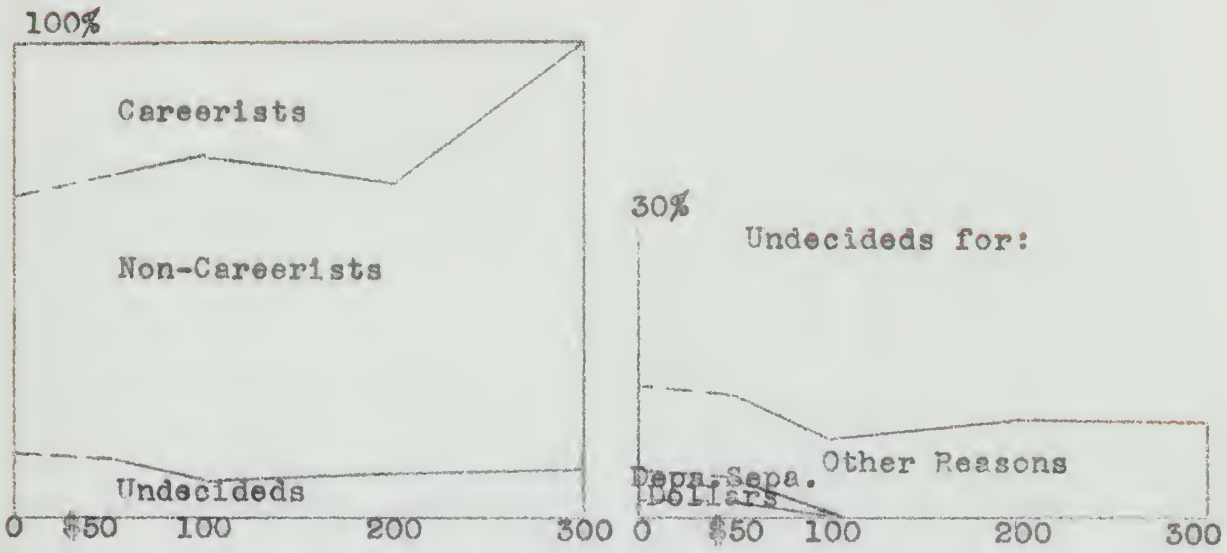
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	53	42	48	51
Non-Careerists	24	28	28	33
Total Undecideds	22	30	24	16
Undecided for Other Reasons	14	17	13	9
Undecided for Dependents' Separation	3	7	8	6
Undecided for Dollars	5	6	3	1



TABLE 23

LIEUTENANTS JUNIOR GRADE

WHO ANSWERED NO TO DOLLARS

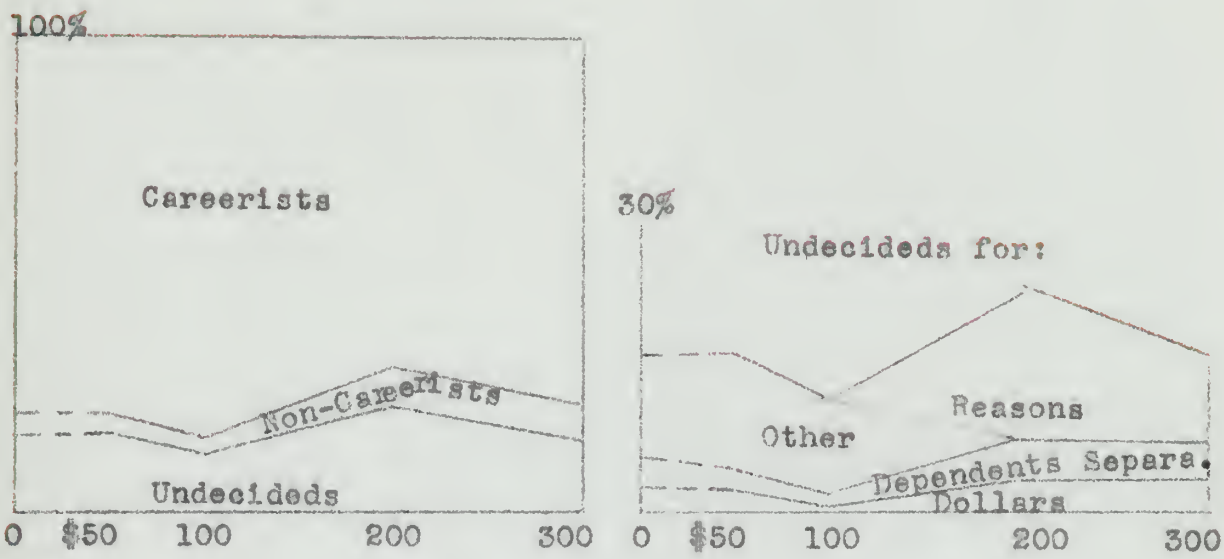


Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	28	23	30	-
Non-Careerists	59	69	60	90
Total Undecideds	13	8	10	10
Undecided for Other Reasons	9	8	10	10
Undecided for Dependents' Separation	2	-	-	-
Undecided for Dollars	2	-	-	-

TABLE 24

LIEUTENANTS

WHO ANSWERED YES TO DOLLARS



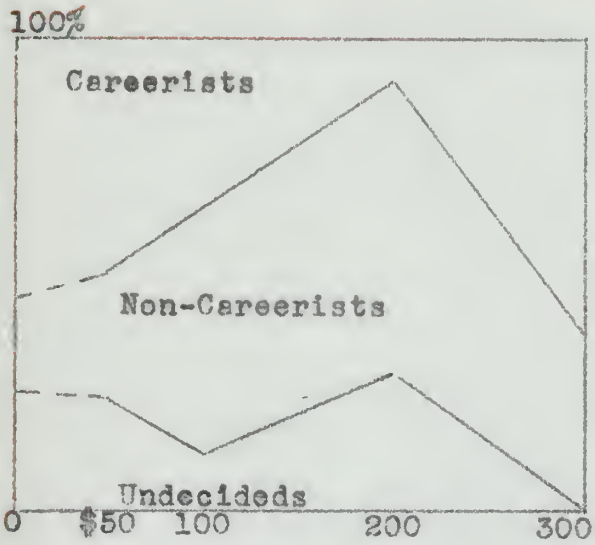
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	79	84	69	76
Non-Careerists	4	4	8	8
Total Undecideds	17	12	23	16
Undecided for Other Reasons	12	11	15	8
Undecided for Dependents' Separation	2.5	-	4	4
Undecided for Dollars	2.5	1	4	4

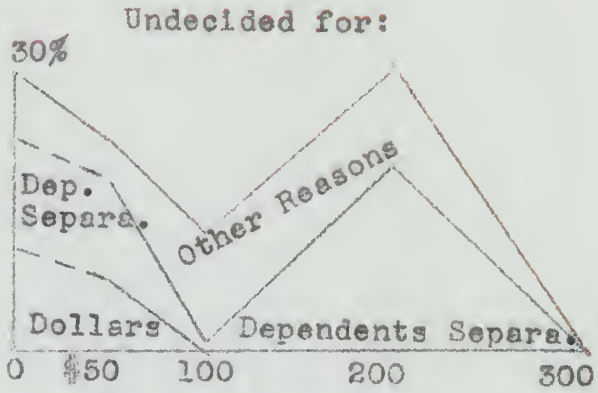


TABLE 25

LIEUTENANTS

WHO ANSWERED NO TO DOLLARS





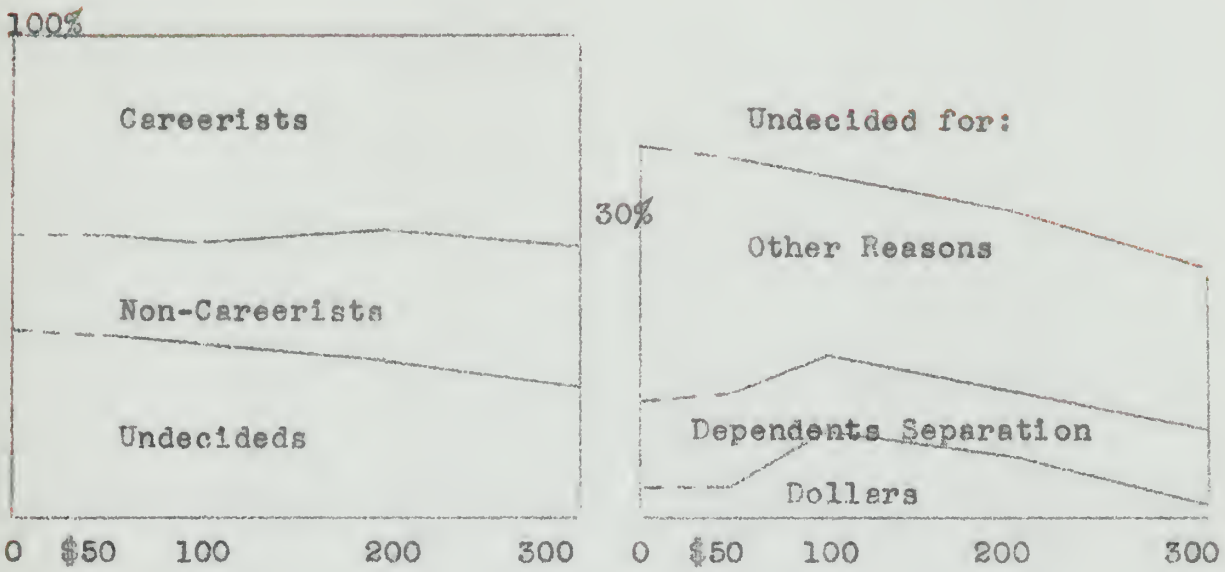
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	49	37	10	63
Non-Careerists	28	50	60	37
Total Undecideds	23	13	30	-
Undecided for Other Reasons	5	13	10	-
Undecided for Dependents' Separation	10	-	20	-
Undecided for Dollars	8	-	-	-



TABLE 26

1100 OFFICERS

WHO ANSWERED YES TO DOLLARS



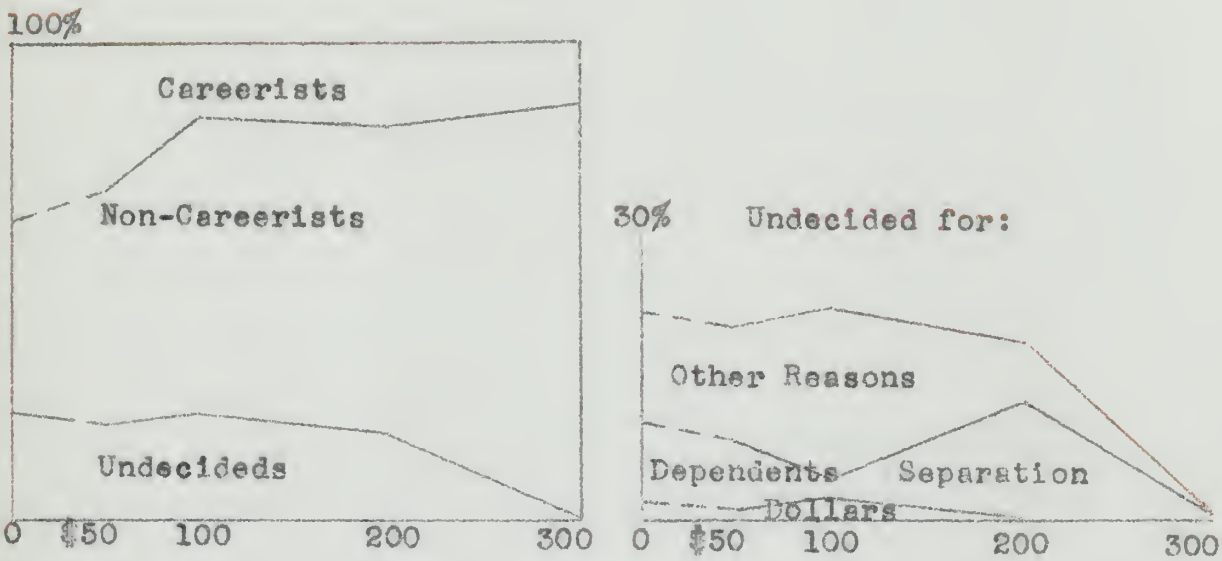
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	42	44	41	45
Non-Careerists	21	21	28	30
Total Undecideds	37	35	31	25
Undecided for Other Reasons	25	19	19	17
Undecided for Dependents' Separation	10	8	7	5
Undecided for Dollars	2	6	5	3



TABLE 27

1100 OFFICERS

WHO ANSWERED NO TO DOLLARS

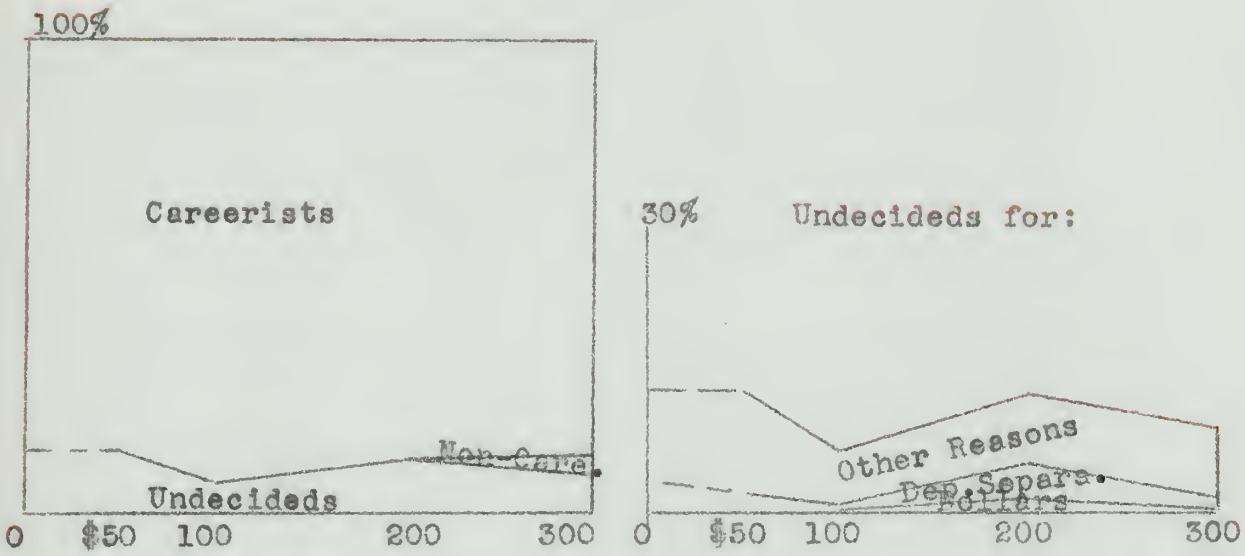


Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	31	16	18	13
Non-Careerists	48	62	64	87
Total Undecideds	20	22	18	-
Undecided for Other Reasons	12	19	6	-
Undecided for Dependents' Separation	7	-	12	-
Undecided for Dollars	1	3	-	-

TABLE 28

1300 OFFICERS

WHO ANSWERED YES TO DOLLARS

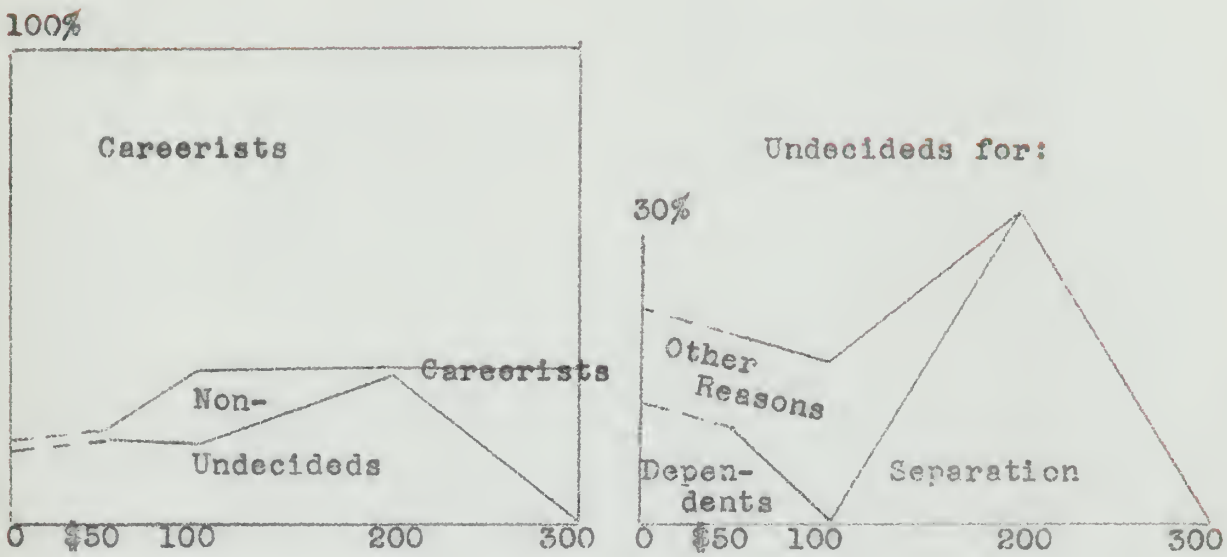


Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	87	94	88	87
Non-Careerists	-	-	-	4
Total Undecideds	13	6	12	9
Undecided for Other Reasons	11	6	7	8
Undecided for dependents' Separation	2	-	4	1
Undecided for Dollars	-	-	1	-

TABLE 29

1300 OFFICERS

WHO ANSWERED NO TO DOLLARS

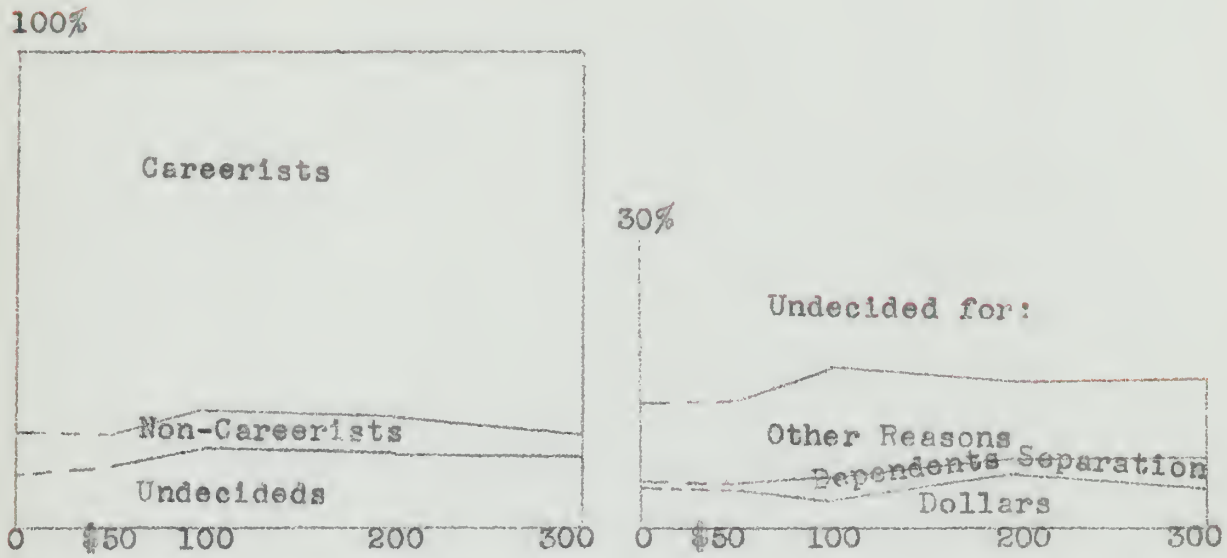


Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	80	66	67	67
Non-Careerists	-	17	-	33
Total Undecideds	20	17	33	-
Undecided for Other Reasons	10	17	-	-
Undecided for Dependents' Separation	10	-	33	-
Undecided for Dollars	-	-	-	-

TABLE 30

ALL OTHER OFFICERS SURVEYED

WHO ANSWERED YES TO DOLLARS

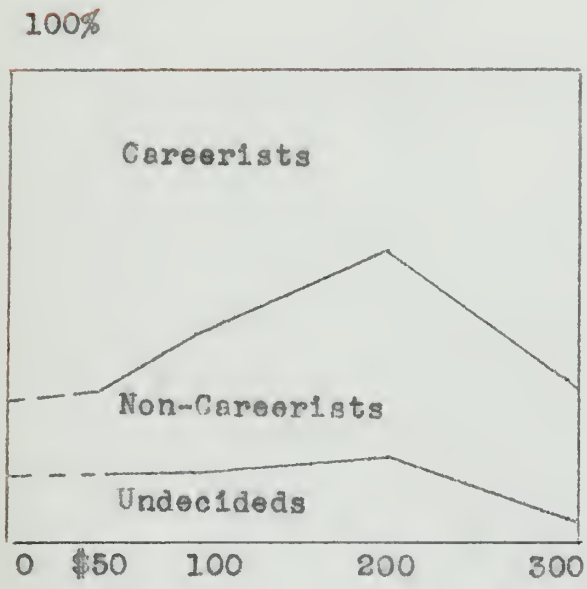


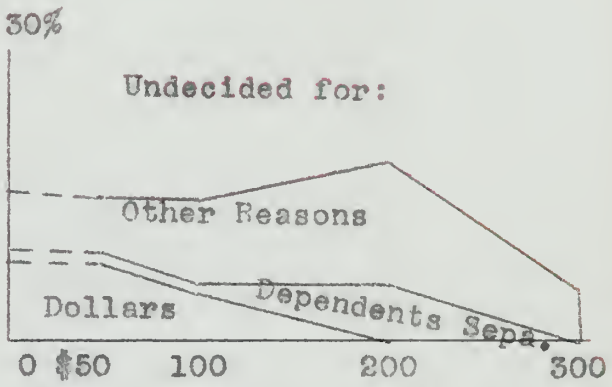
Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	81	75	77	80
Non-Careerists	6	8	8	5
Total Undecideds	13	17	15	15
Undecided for Other Reasons	9	12	8	8
Undecided for Dependents' Separation	-	2	1	3
Undecided for Dollars	4	3	6	4

TABLE 31

ALL OTHER OFFICERS SURVEYED

WHO ANSWERED NO TO DOLLARS





Amounts	$50	$100	$200	$300
Total Percentages	100%	100%	100%	100%
Careerists	67	55	37	67
Non-Careerists	18	30	44	28
Total Undecideds	15	15	19	5
Undecided for Other Reasons	6	10	13	5
Undecided for Dependents' Separation	1	-	6	-
Undecided for Dollars	8	5	-	-

The tables shown by officer types help point out the cause of the problem laid down in the Department of the Navy Bureau of Personnel Instruction 1301.31 B, dated 7 January 1963, that is, there is a shortage of 1100 officers.

While the justification for flight pay has been well founded and documented, many aviators think of it as a payment separate and apart from the regular salary, and for the added risk involved. They, like all Americans, think it won't happen to them, and flight pay is considered a regular part of the salary, for the job.

The appeal of flight pay, with a low attendant risk, is believed by some to have attracted individuals, with little interest in flying, into lighter-than-air following World War II; a condition which possibly hastened its demise as an effective arm of the Navy today.[1]

It can be seen when analyzing the reasons for the undecideds among the 1300 officers, dollars are not a major factor.

For the 1100 officers, dollars have more significance than shown by the undecideds who respond to dollars. It should be noted that as dollars are increased more officers would leave the undecided group and declare themselves as careerists or non-careerists. The disutility of separation from dependents and other reasons for re-

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[1] Interview with Vice Admiral T. G. W. Settle, USN (Ret.) February 4, 1963.

jecting a career begin to disappear when sufficient dollars are offered.

The "All other Officers" group falls in between the 1100 and 1300 as to: (1) percentage of non-careerists, (2) undecided for dollars, (3) undecided for separation from dependents.

Now as to percentage of non-careerists, there is little change in the percentage level as dollars increase until a very high number of dollars is reached. Undecided for dollars is of less importance here as this group draws less sea duty on the whole than the 1100 and 1300 officers. Therefore the cost of living expenses is much less. Hence the standard of living can be maintained on less money. With less separation from dependents there is less family objection to a naval career as a significant factor.

The three sets of graphs make a strong bid for sea pay to resolve the 1100 officer shortage.[1]

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[1] Supra., pp. 119-121.

CHAPTER XI

RELATIONSHIP OF CAREER ATTITUDES BY DOLLAR RESPONSE

The United States Navy is an organization almost unique unto its self. There are no comparable civilian organizations and in many respects, none of the other United States military establishments are as different from each other as they are from the Navy. An example, every United States ship at sea can probably be as ready for combat on five minutes notice now, as it would be six months from now. While each naval officer is an individual, he lives in an environment common to other naval officers. Therefore, the response of these officers regardless of their attitudes to the Navy, should have a certain variable correlation.

Assumed definitions that will be used in this chapter are:

Careerist - a career naval officer, and/or one who is pro-Navy oriented, and identifies himself with its policies and plans.

Non-Careerist - an officer who feels he can make better use of his skills as a civilian and be more highly paid or one who would not accept a naval career for personal reasons that are not recorded in the questionnaire.

In this phase of the study twenty-one questions

were chosen from the questionnaire which were believed highly significant in governing the thinking and/or actions of naval officers.

These questions as shown below were assigned short subjective titles which are used as references throughout the remainder of this paper.

Then the possible responses to the questions were divided into two separate categories using the following criteria: 1. One answer was the mode to the question; such as alternative # two of question one. 2. More pro-Navy such as, one and two of question six. 3. Only two possible divisions available, such as yes or no. 4. What was considered to be a natural dividing point, above or below $10,000 in question nineteen.

Question Number	Subjective Title	Career Orientation by Division of Responses A (Career)	B (Non-Career)
1.	Promotion within last year	2	all others*
2.	Age at promotion within last year	2	all others*
3.	Highest expected level of education	1	all others
4.	Highest expected rank	3-9	1, 2
5.	Use of skills after leaving the Navy	2-4	1
6.	Use of Navy training and experience in civilian life	1, 2	3-6
7.	LDO Program	1	2-4

Question Number	Subjective Title	Career Orientation by Division of Responses A (Career)	B (Non-Career)
8.	Job satisfaction Navy vs Civilian	3-5	1,2
9.	Post Service Plans	1,2	3-9, A-6
13.	Discounting Theory	1,2	3
15.	Satisfaction of Dependents with quarters	1	2
17.	Non-Careerists, careerists	2-7	1
18.	Two-year post service income	1-9, A,B	C-F
19.	Peak civilian career income	1-9, A,C	D-F
23.	Regular - Reserve	1	2
24.	Present Rank	1-3	4-6@
25.	Career Plans	1	2-4
26.	Career Plans on entering the Navy	1	2-5
28.	Family feelings about Naval career	1,2	3-6
30.	Present educational level	1-5	5-9,A,B
32.	Graduate education opportunity	1-3	4-6

* Except blank one omitted

@The division of this question might be argued for changing "A" to Ldrs.thru Captains and "B" to Ensign thru Lts. In this particular case it would have no effect on the rank relationships. Tables 32, 33, 34 and 35 on pages 128-134. There would be no significant change in the scatter diagrams pages 137-144 or rank correlations pages 128-134.

The next step was to group certain selected responses for the purpose of an item analysis. Those selected were the responses of yes or no to fifty dollars, and yes or no to one hundred dollars. It was felt that the one hundred dollar answers were nearer to the maximum point of change in the supply curves than were two hundred dollars. Yes or no to three hundred dollars was not considered responsive to the needs of the Navy, in the lower officer grades. As to those who had a choice between fifty, one hundred, two hundred, and three hundred dollars, this would be a study in bias and beyond the scope and purpose of this thesis.

Responses to each question were grouped and symbols assigned for identification.

___ Question assigned numberical symbol

___ Response as previously described divided into "A" or "B" groups

___ These groups divided by:

Yes to Fifty Dollars - symbol I
No to Fifty Dollars - symbol II
Yes to One Hundred Dollars - symbol III
No to One Hundred Dollars - symbol IV

Then two by two contingency tables were made up and the following formula applied for chi-square test of hypothesis or significance.

$$\begin{array}{c|c} A & B \\ \hline C & D \end{array} \qquad \chi^2 = \frac{N(|AD-CB|-\frac{1}{2}N)^2}{(A+B)(B+D)(C+D)(A+C)}$$

N Total number of responses
A, B, C, D number of responses in each cell. Four sets were made up and questions ranked by degree of significance difference.

TABLE 32

POSITIVE RESPONSE TO DOLLAR PAY INCREASE
CAREER VS NON-CAREER ORIENTED

Level of Significance	Question Number	Yes to: $50 vs $100
38.38	19	Peak of Civilian Career Income
7.09	7	LDO Program
3.87	5	Use of skills after leaving the Navy
3.81	24	Present Rank
*		
2.13	13	Discounting theory
2.07	8	Job Satisfaction Navy vs Civilian
1.86	26	Career Plans on enter- the Navy
1.85	30	Present educational level
1.53	17	Non-careerists, career- ists
1.13	9	Post Service Plans
0.79	28	Family Feelings about Naval career
0.73	18	Two year Post Service Income
0.52	1	Promotion within last year
0.57	3	Highest expected level of education
0.38	6	Use of Navy training and experience in civilian life
**		
0.13	15	Satisfaction of depen- dents with quarters
0.06	4	Highest expected rank
0.03	32	Graduate education oppor- tunity
0.02	23	Regular - Reserve
0.0004	25	Career Plans
0.0001	2	Age at Promotion within last year

NOTE: * Above the line very significantly different.
** Below the line very significantly the same.

The level of significance shows which conditions are meaningful to individuals who are careerists and will not consider leaving the service, or are non-careerists and will stay in the Navy if given a fifty or one hundred dollar raise per month.

Those individuals who have career plans, expect to be promoted, want an opportunity at higher education, and their dependents are generally satisfied with their quarters.

For the present there is not much concern with civilian career income or how they will use their skills after leaving the Navy.

Careerists and non-careerists differ strongly by rank and on attitudes toward:

1. The income they expect at the peak of their career.

2. The LDO Program.

3. The use of their skills after leaving the Navy.

Careerists and non-careerists who can be bought for $100 to become careerists, both regular and reservists, agree on their career plans and further:

1. Satisfaction with their quarters.

2. The rank they hope someday to attain.

3. Graduate study opportunities.

TABLE 33

NEGATIVE RESPONSE TO PAY INCREASE
CAREERISTS AND NON-CAREERISTS

Level of Significance	Question Number	No to $50 Vs $100
4.99	8	Job Satisfaction Navy vs Civilian
4.88	25	Career plans
4.81	17	Non-Careerists, careerists
3.87	18	Two year Post Service Income
3.63	28	Family feelings about Naval Career
1.70	7	LDO Program
1.43	23	Regular - Reserve
*		
1.13	5	Use of skills after leaving the Navy
1.11	6	Use of Navy training & experience in civilian life
0.82	30	Present educational level
0.53	2	Age at promotion within last year
0.51	3	Highest expected level of education
0.50	9	Post Service plans
0.41	19	Peak civilian career income
0.38	1	Promotion within last year
0.19	4	Highest expected rank
0.15	32	Graduate education opportunity
0.11	15	Satisfaction of dependents with quarters
0.06	24	Present Rank
0.02	26	Career Plans on entering the Navy
0.004	13	Discounting theory

NOTE: *Above the line very significantly different.
**Below the line very significantly the same.

These officers said they either would not consider or recommend a naval career for either a fifty or one hundred dollar raise per month. Table 33 can consist of three different groups of officers: (1) The careerist who either considers the offered raise an insult, (a Captain offered fifty dollars), or will stay without the raise. (2) The young officer who is not pro-Navy minded and thinks he can do better on the outside. (3) The older officer who is becoming dissatisfied with the monetary reward and is about ready to resign, (one-third of this group are Captains, Commanders, and Lieutenant Commanders). This group has a high level of job satisfaction, and has future career plans. They expect to be promoted and their families like the Navy. However, it will take dollars now to keep them in this group, for they are highly frustrated by their economic status.

Careerists and non-careerists, who are disinterested in the pay increase as a reason to make the Navy a career, are considerably different from those who were greatly influenced by the pay increase. These officers in Table 33 are apparently interested in money for immediate needs and discount the value of future money, the value of invested money or annuities.

TABLE 34

CAREERISTS RESPONSE TO DOLLARS

	Level of Significance	Question Number	Yes vs No to Dollar Pay Increases
	65.40	4	Highest expected rank
	63.40	25	Career plans
	62.27	17	Non-careerists, careerists
	61.79	32	Graduate education opportunity
	61.03	23	Regular - Reserve
	53.80	7	LDO Program
	52.30	15	Satisfaction of dependents with quarters
	48.73	8	Job satisfaction Navy vs civilian
	48.40	28	Family feelings about Naval career
	47.30	5	Use of skills after leaving the Navy
	42.50	24	Present Rank
	40.60	30	Present educational level
	37.4	18	Two year Post Service Income
	25.78	26	Career Plans on entering the Navy
	11.64	13	Discounting theory
	11.10	3	Highest expected level of education
	10.70	9	Post Service Plans
	5.30	6	Use of Navy Training and experience in civilian life
*			
	2.50	2	Age at Promotion within last year
	.60	19	Peak civilian career Income
	.56	1	Promotion within last year

NOTE: * Above the line very significantly different.

Table 34 compares the careerist's (this chapter's definition) or pro-Navy minded individual's responses of:

Yes to fifty dollars:No to fifty dollars
Yes to one hundred dollars:No to one hundred dollars

Here the vast majority of items have a very highly significant difference. This demonstrates how the responses change between yes and no to fifty dollars, and yes and no to one hundred dollars.

It is significant to note that the one item with the least difference is promotion within the last year, or where there is still a mental adjustment being made to the income level.

The Group in Table 35 previously defined as the non-careerist also shows a shift in response as the ratio changes in:

Yes to fifty dollars:No to fifty dollars
Yes to one hundred dollars:No to one hundred dollars

Starting at the bottom of the table (least difference) it is interesting to note the sequence of certain select items:

Condition	Effect
Peak civilian career income -	Expects more income as a civilian
Discounting theory -	Wants dollars now
Graduate education opportunity -	This plus dollars will retain them
Promotion within last year -	Some satisfaction here

Money has a highly utilitarian factor to the man that crosses the line to become a careerist as the dollars go up.

TABLE 35

NON-CAREERISTS RESPONSE TO DOLLARS

Level of Significance	Question Number	Yes and No to Dollar Pay Increase
61.06	9	Post Service Plans
52.04	26	Career Plans on entering Navy
50.00	3	Highest expected level of education
40.30	24	Present Rank
37.20	28	Family Feelings about Naval career
27.42	15	Satisfaction of dependents with quarters
26.80	5	Use of skills after leaving the Navy
25.09	7	LDO Program
24.80	1	Promotion within last year
20.87	25	Career Plans
19.45	6	Use of Navy training and experience in civilian life
19.43	32	Graduate education opportunity
19.00	23	Regular - Reserve
18.20	17	Non-Careerists
17.86	13	Discounting theory
16.50	2	Age at promotion within last year
14.90	4	Highest expected rank
8.76	19	Peak civilian career income
*		
3.11	8	Job satisfaction Navy vs civilian
.82	18	Two year post service income
.65	30	Present educational level

NOTE: * Above the line very significantly different.

CHAPTER XII

INTERRELATIONSHIP OF ATTITUDES OF CAREERISTS AND NON-CAREERISTS

When trying to understand the different relationships which the various groupings of respondents have applied to the items of the questionnaire, the following thought might help.

Consider asking each of the various individuals surveyed (or the grouping as they have been selected), to mix up a rum punch. With no other direct guidance than this, they would undoubtedly use a variety of ingredients and a multitude of blendings. However, each would still produce a rum punch. These concoctions could then be sorted or grouped by various colors; then, the total number again grouped as to fruit or no fruit, then grouped by taste. When classification had been completed the punch could then be correlated or related to each other. This same thought has been applied here to show the inter-relationship of the various items on the questionnaire as blended by various groupings of respondents (see table immediately following).

The rank relationship shows these items with the most significant difference at the top, reading down. This is due to the fact that a higher percentage of those who could say "yes" or "no" to one hundred dollars, said "yes", than did so in the group which could only say "yes" or "no" to fifty dollars.

TABLE 36
RANK
RELATIONSHIP

Set I

Positive Response to
Dollar Pay Increase
Career vs Non-Career Oriented

Rank Order	Item Number		Relation to Rank of Item Set I
1	19	Peak of Civilian Career Income	+
2	7	LDO Program	+
3	5	Use of skills after leaving the Navy	+
4	24	Present Rank	+
*			
5	13	Discounting theory	+
6	8	Job Satisfaction Navy vs Civilian	—
7	26	Career Plans on entering the Navy	—
8	30	Present educational level	—
9	17	Non-careerists, careerists	+
10	9	Post Service Plans	—
11	28	Family Feelings about Naval career	+
12	18	Two year Post Service income	+
13	1	Promotion within last year	—
14	3	Highest expected level of education	—
15	6	Use of Navy training and ex-	—
**		perience in civilian life	
16	15	Satisfaction of dependents with quarters	+
17	4	Highest expected rank	+
18	32	Graduate education opportunity	—
19	23	Regular - Reserve	—
20	25	Career Plans	—
21	2	Age at Promotion within last yr.	—

NOTE: * Above the line very significantly different.
** Below the line very significantly the same.

Set II

Negative Response to
Dollar Pay Increase
Career vs Non-Career Oriented

Rank Order	Item Number	
1	8	Job Satisfaction Navy vs Civilian
2	25	Career plans
3	17	Non-Careerists, careerists
4	18	Two year Post Service Income
5	28	Family feelings about Naval Career
6	7	LDO Program
7	23	Regular - Reserve
*		
8	5	Use of skills after leaving the Navy
9	6	Use of Navy training & experience in civilian life
10	30	Present educational level
11	2	Age at promotion within last year
12	3	Highest expected level of education
13	9	Post Service plans
14	19	Peak civilian career income
15	1	Promotion within last year
16	4	Highest expected rank
17	32	Graduate education opportunity
18	15	Satisfaction of dependents with quarters
19	24	Present Rank
**		
20	26	Career Plans on entering the Navy
21	13	Discounting theory

Set III

Careerists
Yes vs No to Dollar
Pay Increases

Rank Order	Item Number		Relation to Rank of Item Set III
1	4	Highest expected rank	+
2	25	Career plans	+
3	17	Non-careerists, careerists	+
4	32	Graduate education opportunity	+
5	23	Regular - Reserve	+
6	7	LDO Program	+
7	15	Satisfaction of dependents with quarters	+
8	8	Job satisfaction Navy vs civilian	—
9	28	Family feelings about Naval career	+
10	5	Use of skills after leaving the Navy	—
11	24	Present Rank	+
12	30	Present educational level	—
13	18	Two year Post Service Income	—
14	26	Career Plans on entering the Navy	—
15	13	Discounting theory	—
16	3	Highest expected level of education	+
17	9	Post Service Plans	—
18	6	Use of Navy Training	+
*		and experience in civ.life	
19	2	Age at Promotion within last year	—
20	19	Peak civilian career income	—
21	1	Promotion within last year	—

Set IV

Non-Careerists
Yes vs No to Dollars
Pay Increases

Item Number	
9	Post Service Plans
26	Career Plans on entering Navy
3	Highest expected level of education
24	Present Rank
28	Family Feelings about Naval career
15	Satisfaction of dependents with quarters
5	Use of skills after leaving the Navy
7	LDO Program
1	Promotion within last year
25	Career Plans
6	Use of Navy training and experience in civilian life
32	Graduate education opportunity
23	Regular - Reserve
17	Non-Careerists
13	Discounting theory
2	Age at promotion within last year
4	Highest expected rank
19	Peak civilian career income
*	
8	Job satisfaction Navy vs Civilian
18	Two year post service income
30	Present educational level

Rank Correlationship

Through use of scatter charts a visual display can show the correlation of items in either a positive or negative sense. A line at a 45° angle through the interrelated points rises upward and to the right from the vertical axis and demonstrates a positive correlation. A line that is downward and to the right represents a negative correlation.

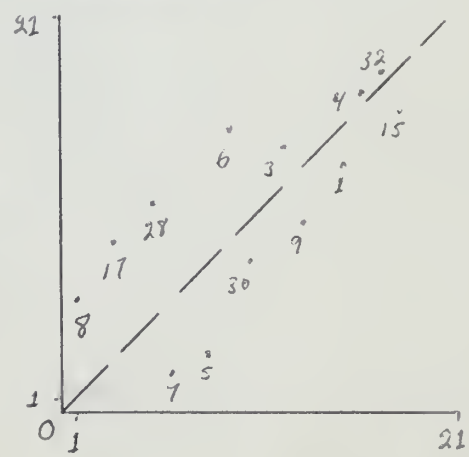
By the use of Spearman's formula for rank correlation a numerical value of not more than a plus or minus one can be assigned to these same items.

$$R \text{ rank } 1 - \frac{6 \Sigma D^2}{N(N^2-1)}$$

Where D difference between ranks of the corresponding items.
N number of items.

Intra-group relationship of Careerists and Careerists if pay is increased with Nin-Careerists and Careerists who said no to dollars:

FIGURE 1.



y = Rank of those groups who said Yes to $

x = Rank of those groups who said No to $

$r_{xy} = +.747$

Items 2, 19, 22, 23, 27, 32, 33, and 34 do not show enough of a positive correlation to fall within pattern shown. If the reader will consider these items in light of the relative response of "yes" and "no" to fifty and one hundred dollars as a condition for remaining in the service it will present a clearer picture as to the validity of this test.

This must be remembered when considering the various mores several hundred naval officers would attach to the items on the questionnaire.

Items which are related between groups of "careerists," or those who would be "careerists", if pay is increased, and "non-careerists:"

1 Promotion within last year

3 Highest expected level of education

4 Highest expected rank

5 Use of skills after leaving the Navy

6 Use of Navy training and experience in civilian life

7 LDO Program

8 Job satisfaction Navy vs Civilian

9 Post service plans

15 Satisfaction of dependents with quarters

17 Non-careerists, careerists

28 Family feelings about naval career

30 Present educational level

32 Graduate education opportunity

Items which are not related between groups of "Careerists" of those who would be "Careerists," if pay is increased, and "Non-Careerists."

2 Age at promotion within last year

13 Discounting theory

19 Peak of civilian career income

23 Regular - Reserve

24 Present rank

25 Career plans

26 Career plans on entering the Navy

Inference: It would be expected to find a positive correlation among the education levels, job satisfaction, and in general, pro-service attitudes, among those who would consider a service career for a pay increase; and those who are careerists but might ignore the offered pay increase if it was insufficient.

The non-relation of the discounting theory would appear to be the non-careerists wanting money now along with the expectation of higher income outside the Navy.

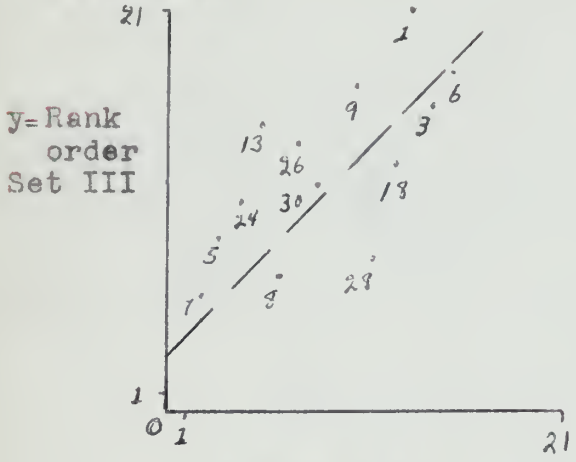
That money is a utility, but does not motivate toward a service career (see page 64).

Intra-group relationship of Careerists who said Yes and No to Dollars (Set III) with:

Careerists and Careerists if pay is increased

(Questionnaire Item Numbers)

FIGURE 2.

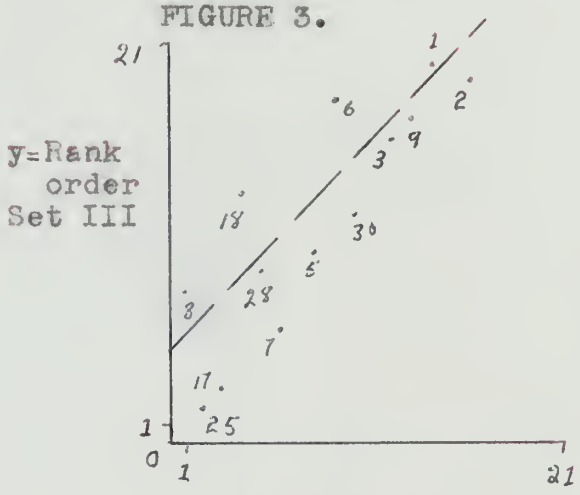


$r_{xy} = +.973$

Non-Careerists

(Questionnaire Item Numbers)

FIGURE 3.



$r_{xy} = +.91$

As demonstrated above, there is a strong correlation and those individuals who said no to dollars are in these respects as much career officers, as those who said yes to dollars.

Careerists group who have both positive and negative attitudes toward a pay increase related to groups of careerists and careerists if pay is increased who have only positive attitude toward a pay increase by the following factors:

1 Promotion within last year

3 Highest expected level of education



5 Use of skills after leaving the Navy

6 Use of Navy training and experience in civilian life

7 LDO Program

8 Job satisfaction Navy vs Civilian

9 Post service plans

13 Discounting theory

18 Two year post service income

24 Present rank

26 Career plans on entering the Navy

28 Family feelings about naval career

30 Present educational level

Careerists groups who have both positive and negative attitudes with pay increase related with groups of Non-careerists and those careerists who say "no" to dollars by the following factors:

1 Promotion within last year

2 Age at promotion within last year

3 Highest expected level of education

5 Use of skills after leaving the Navy

6 Use of Navy training and experience in civilian life

7 LDO Program

8 Job satisfaction Navy vs Civilian

9 Post service plans

17 Non-careerists, careerists

18 Two year post service income

25 Career plans

28 Family feelings about naval career

30 Present educational level

Of the thirteen items in each case, ten of them are similar.

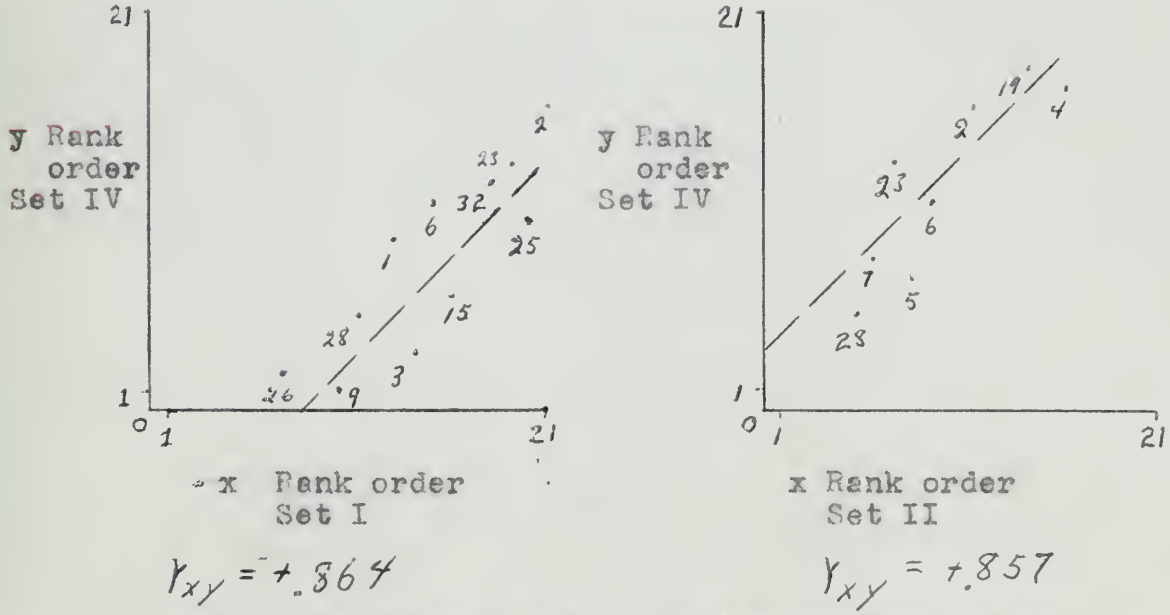
Inference: That almost as many careerists are saying "no" to dollars as "yes" to dollars. Inasmuch as the Navy is vastly below the Civil Service personnel who have been their contemporaries on the pay scale, it would appear that a fifty or hundred dollar raise is considered insufficient, and is being rejected.

Intra-group relationship of Non-Careerists who said Yes and No to Dollars (Set IV) with:

Careerists & Careerists if pay is increased

Non-Careerists

FIGURES 4 & 5.



Officers who have demonstrated other than a pro-Navy attitude can be seen responding yes to dollars. Some-

where between fifty and one hundred dollars pay increase money starts to overcome attitudes that make a naval career less than totally acceptable without increased pay.

"Non-Careerists" group who have both positive and negative attitudes toward a pay increase related to groups of "careerists" and "careerists, if pay is increased," who have only positive attitudes toward a pay increase by the following factors:

1 Promotion within last year

2 Age at promotion within last year

3 Highest expected level of education

6 Use of Navy training and experience in civilian life

9 Post service plans

15 Satisfaction of dependents with quarters

23 Regular - Reserve

25 Career plans

26 Career plans on entering the Navy

28 Family feelings about a naval career

32 Graduate education opportunity

Non-Careerists group who have both positive and negative attitudes toward a pay increase related to groups of careerists and non-careerists who have only negative attitudes toward a pay increase by the following factors:

2 Age at promotion within last year

4 Highest expected rank

5 Use of skills after leaving the Navy

6 Use of Navy training and experience in civilian life

7 LDO Program

19 Peak of civilian career income

23 Regular - Reserve

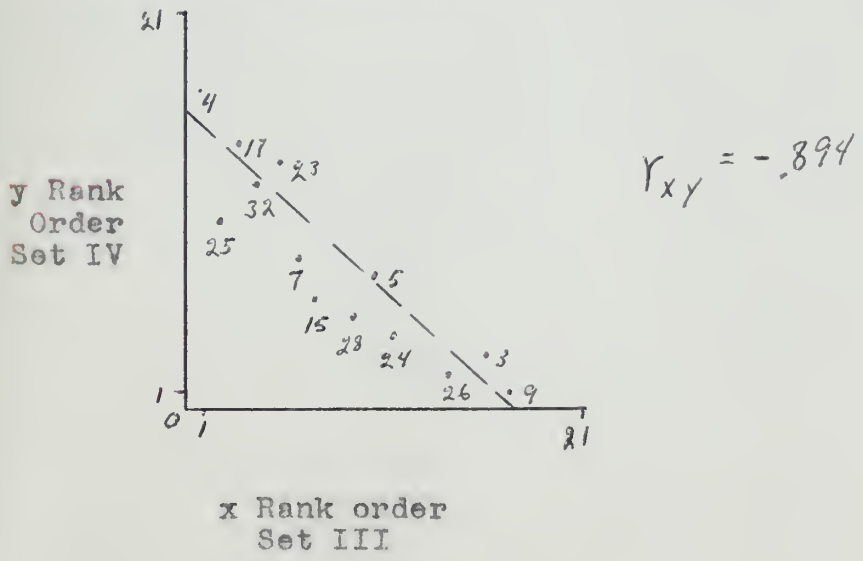
28 Family feelings about naval career

With the exception of two control items, the only other two similar items are the use of Navy training as a civilian and family feelings. The predominant groups used in these two questions are those who expect high salaries on the "outside" and whose families are dissatisfied with the Navy.

Inference: These officers feel they can do better as civilians and the present level of Navy pay is becoming a major disutility to them.

Intra-group relationship of Careerists to Non-Careerists:

FIGURE 6.





While it has been demonstrated that there is a positive correlation in careerists and non-careerists when both are responding yes to dollars, and again when responding no, there is only a negative correlation when they are compared with each other. This would appear to be a natural assumption and lends proof to the validity of the test.

Careerists group who have both positive and negative attitudes toward a pay increase[1] related with the non-careerists group who have both positive and negative attitudes toward a pay increase, by the following factors:

3 Highest expected level of education

4 Highest expected rank

5 Use of skills after leaving the Navy

7 LDO Program

9 Post service plans

15 Satisfaction of dependents with quarters

17 Non-careerists, careerists

23 Regular - Reserve

24 Present rank

25 Career plans

26 Career plans on entering the Navy

28 Family feelings about a naval career

32 Graduate education opportunity

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[1] These items have a strong negative correlation between the two groups with divergent views, with the exception of two control items. These are issues on which it would be expected to get divergent views between the two groups.

Inference: The applied here have shown a high negative correlation which establishes the proof of the test used in the previous analysis.

Conclusion: A pay increase of fifty or one hundred dollars will provide little utility to the average naval officer to change his attitudes for or against a service career.

Because of the shift in the ratio of response of yes and no to fifty dollars and yes and no to one hundred dollars it is believed that if military pay should fall further behind, it will become a major disutility.

PART IV

RECOMMENDATIONS AND CONCLUSIONS

RECOMMENDATIONS AND CONCLUSIONS

In making a comparison on salaries and wages between newly hired management trainees and clerical or industrial workers, it is recognized that the management trainee will start at a lower salary than a person he might supervise, who has longevity on the job. A look at civilian wages will show that the wage inversion will not remain this way for long.

Congress expects effectiveness and economy of operation from the military.[1] Both of the above requires the best of management ability. However, while Congress is willing to pay comparable wages for the operation of the rest of the government,[2] it is not willing to do so for the military operations.

The exact reasons for this are not clear-cut as a whole. Some of it results from different reasons coming from different parts of the country, and when all the reasons are brought together in the halls of Congress, it brings forth a problem few men see in the same light.

Some of the facets of this problem are:

1. A great many people do not understand the military and think it is refuge for the lazy, indolent and maladjusted.

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[1] Supra., 3, Computing Basic Pay, 1958, p. 5347.

[2] Supra., 44, Basic Pay for Uniformed Services, 1963.

2. Others think it is an unnecessary waste of money and resources.

3. Some feel it is the patriotic duty of military men to serve.

4. Others say with the hump (excess of senior officers) problems why pay decent wages when there is an over supply.

5. Another facet of the problem are the inaccurate presentations to Congress.

6. Inept people preparing and researching studies on pay problems.

7. Services cutting each other down and in the past making nonsensical suggestions.

8. Poor administration of some of the allowances allowed by Congress.

9. Too much effort to equate the officer and enlisted structures together.

10. Too much deference to Congressional questioning.

11. Poor public information on pay and responsibilityof service personnel.

12. Poor guidance to service personnel on their congressional contacts.

Congress should determine if the United States can afford a defense establishment and if so, what size. If a defense establishment is warranted, purchase it in a balanced fashion. For example, in the not too distant

past Congress voted money for the RS-70 bomber which the Secretary of Defense says is unnecessary. At this writing they have cut the pay proposals in the 1963 bill, while at the same time much of the present military of equipment is inoperative or unused, due to lack of trained personnel.

There is considerable question as to who is responsible for the defense of the United States when the Department of Defense operates with somewhat less than the use of both hands in running the defense establishment.

It becomes obvious, when studying congressional action on military pay, that the total dollar amount becomes the matter under consideration, not the equitable pay for individual members of the military establishments. It is also believed that Congress does not realize the voting influence of the military.

On the assumption that the military personnel are not already second class citizens, and that the officers' professional ability has not slipped, drastic action is going to soon be necessary to keep an alert, responsive, dedicated military establishment.

The best solution is for Congress to given comparable pay in relation to other government operations, or to extend the length of obligated service for the draftee, give him technical training, and then to legislate effectiveness.

For the services there are several courses of

action which could help the situation. Some of these are: (1) Ask for the elimination of the draft; this would put the law of supply and demand at work on military wage scales. (2) Ask for a separate pay bill for each service as was done prior to 1899. This would be a limited application of supply and demand, at least between services. Individual problems of each service could get direct consideration, and possibly result in less total cost for military pay. The individual bills for service pay would be smaller amounts and cause less consternation when they go through the legislative process. (3) Have military pay tied into Civil Service pay. The services would probably have difficulty getting the inversion between the two pay scales straightened out, however; a bird in the hand is worth two in the bush.

It has been said that the annual cost of retired pay for the military is what is holding back the enactment of comparable military pay; also, that it is necessary to separate retired pay from active pay. This might be true, but this sounds a little akin to putting your dependent mother out of the car in a storm because you might not have enough gas to reach the next town. While, many believe there is no place for sentimentality in a modern military organization, in reality, there is. Sentimentalism is a foundation of patriotism, esprit de corps, and tradition. All are important to military organizations and nations.

The words "retainer pay" should be adopted in place of "retired pay" to help bring forth the idea that the pay is not a pension and that a retired military man is not a freeman in selling his services, and his travels. All this could help remove the stigma of paying for a dead-horse which is attached to retired pay.

Converting dependents' allowance to basic pay would remove the over-touted tax haven and make comparability of pay more understandable to the advantage of the service personnel.

Civil Service has used extra promotions to retain personnel. Congress believes officers are promoted faster today than in the past with no consideration to the fact the pace is faster today. The services should consider making maximum use of promotions.

The best officers and researchers should be used to make future studies on pay and present them to Congress. Many of the people heretofore used have been good, but an awfully lot of them have been terrible, and had no idea of what they were doing.

When congressmen go to military bases there is often a big push for cleaning and painting that the budget will not support on a continuing basis; thus a false impression is created to the determent of the services. Officers sometimes worry about what enlisted men will say to congressmen. Instead of worrying, they should prompt the enlisted man and junior officer to give their

views on pay, housing, and for that matter, any other subject they have opinions about. The end result would be to the benefit of any organization with good administration.

Obtaining and administering comparable pay is just as much in the best interest of the country as seeing to it that a ship is ready for combat.

When Mr. Wilson was Secretary of Defense, he stated that no private organization could survive with the turnover of personnel that the military has. Perhaps the Naval Service will not survive in the future.

Mr. Cordiner and his committee went to a great deal of detail to show the savings of higher military pay. If the many parents and wives who have lost sons and husbands through accidents attributed to a low experience level and insufficient training were aware of this, there would be a national explosion.

The storms of the sea can be weathered and the passions of men's minds ignored, but a one-sided standard of ethics can not be long endured.

APPENDIXES

APPENDIX A

OFFICER PERSONNEL QUESTIONNAIRE (MCSG)5-62

1. If you received a temporary promotion on active duty during the period 16 May 1961 - 15 May 1962, how much active federal commissioned service had you completed at that time?

1 _____ I am a warrant officer so this question does not apply to me

2 _____ I am a commissioned officer but did not receive a temporary promotion on active duty during this period

I did receive a temporary promotion on active duty during 16 May 1961 - 15 May 1962 and I had completed the following ACTIVE Federal commissioned service at that time:

3 _____ Less than 1 year
4 _____ 1 year but less than 2
5 _____ 2 years but less than 3

6 _____ 3 years but less than 4
7 _____ 4 years but less than 5
8 _____ 5 years but less than 6

9 _____ 6 years but less than 7
A _____ 7 years but less than 8
B _____ 8 years but less than 9

C _____ 9 years but less than 10
D _____ 10 years but less than 11
E _____ 11 years but less than 12

F _____ 12 years but less than 13
G _____ 13 years but less than 14
H _____ 14 years but less than 15

I _____ 15 years but less than 16
J _____ 16 years but less than 17
K _____ 17 years but less than 18

L _____ 18 years but less than 19
M _____ 19 years but less than 20
N _____ 20 years but less than 21

O _____ 21 years but less than 22
P _____ 22 years or more

2. If you are a commissioned officer and received a temporary promotion on active duty during the period 16 May 1961 - 15 May 1962, what was your age at the time of your promotion?

1 _____ I am a Warrant Officer so this question does not apply to me

2 _____ I am a commissioned officer but did not receive a temporary promotion on active duty during this period

I did receive a temporary promotion on active duty during 16 May 1961 - 15 May 1962 and I was the following age at that time:

3 _____	22 - 24	9 _____	40 - 42
4 _____	25 - 27	A _____	43 - 45
5 _____	28 - 30	B _____	46 - 48
6 _____	31 - 33	C _____	49 - 51
7 _____	34 - 36	D _____	52 - 54
8 _____	37 - 39	E _____	55 or older

3. What is the highest level of education which you expect someday to attain? (Include GED equivalent) Check one only.

1 _____ I do not expect to take any more educational courses or training

I expect at some future date to:

2 _____ Complete grammar school
3 _____ Graduate from high school
4 _____ Graduate from a vocational or trade school
5 _____ Complete two years of college
6 _____ Graduate from college (AB,BS)
7 _____ Graduate from law school (LL .B)
8 _____ Obtain a masters degree (MA, MB, etc.)
9 _____ Obtain a doctoral degree (PhD, DSc, DEd, etc.)
A _____ Obtain a degree in medicine (MD)
B _____ Obtain some other graduate degree
C _____ Take courses not leading to a diploma or degree

4. What is the highest rank which you someday hope to attain?

1 _____ Lieutenant J. G.
2 _____ Lieutenant
3 _____ Lt Commander
4 _____ Commander
5 _____ Captain
6 _____ Rear Admiral (lower)
7 _____ Rear Admiral (upper)
8 _____ Vice Admiral
9 _____ Admiral

5. Do you expect to make more or less use of your skills and abilities after you leave or retire from the Navy than you have used or will use these skills in the Navy?

1 _____ More use of my skills and abilities after I leave the Navy
2 _____ Less use of my skills and abilities after I leave the Navy
3 _____ About the same use of my skills and abilities after I leave the Navy
4 _____ Don't know

6. How much do you think your training and experiences in the Navy will help you in the work you will do in civilian life?

1 _____ Will probably help a great deal
2 _____ Will probably help somewhat
3 _____ Will probably help very little
4 _____ Will probably not help at all
5 _____ Have no idea how much it will help
6 _____ Don't plan on working in civilian life

7. The Navy has a program which provides for appointing selected enlisted men in grade E-6 or higher with over eight years of service to Ensign.

These commissioned individuals can complete their military careers, up to the total of 30 years of service, as officers and retire as officers, up to the maximum grade of Commander, if they have served ten or more years in officer status.

Do you believe this program attracts more well qualified enlisted men to stay in the Navy?

1 _____ Yes, and is in the best interests of the service
2 _____ Yes, but is not in the best interests of the service
3 _____ No
4 _____ No opinion

8. If you were soon to leave the Navy, how difficult do you think it would be to find a job equal to your present one? (Equal as to pay, satisfaction, benefits interest, challenge, etc.)

1 _____ Very easy
2 _____ Fairly easy
3 _____ Fairly difficult
4 _____ Very difficult
5 _____ Don't know how difficult it would be

9. What do you expect to do when you leave active duty in the Navy?

Check one only

1 _____ Haven't thought much about it
2 _____ Have thought about it, but have no definite plans
Have thought about it, and probably will engage in:

3 _____ Attending college
4 _____ My own business
5 _____ Managerial work
6 _____ Sales
7 _____ Clerical work
8 _____ Skilled craft (carpenter, plumber, etc.)
9 _____ Technical work (electronics, X-ray, etc.)

A _____ Teaching
B _____ Farming
C _____ Government service
D _____ Factory work
E _____ Professional (doctor, lawyer, etc.)
F _____ Other work than listed above
G _____ Will probably not work

10. Have you decided to make the Navy your career?

A _____ I definitely will make the Navy my career.

B _____ I definitely will not make the Navy my career.

I am undecided but would be more likely to make the Navy my career if:

(Mark only the one condition which would have the most influence on your decision)

C _____ My present billet was changed
D _____ My present station was changed
E _____ My contribution to national defense was greater
F _____ My promotion opportunity was improved
G _____ My pay and allowances were sufficient to meet the demands of a Navy career
H _____ I was sure that the Navy would give me a separation bonus if I were ever involuntarily discharged.
I _____ Fringe benefits, such as commissaries, dependent medical care, etc. were improved
J _____ I had a better social opportunity and more personal freedom in the Navy
K _____ I could have my dependents with me more of the time
L _____ My opportunities for travel and new experiences was greater
M _____ Changes other than above were made

B. Which of the above letters (C through L) do you consider the condition which would have the second most influence on your decision? Write the letter you select in the space below.

_____ is the second most influential condition.

C. Which of the above letters (C through L) do you consider the condition which would have the least influence on your decision? Write the letter you select in the space below.

_____ is the least influential condition.

11. Have you decided to leave the Navy before retirement?

A _____ I definitely will make the Navy my career, and stay in the Navy until retirement.

B _____ I definitely will not make the Navy my career, and will leave the Navy before my retirement date.

I am undecided but would be more likely to leave the Navy before retirement if:

(Mark only the one condition which would have the most influence on your decision)

C _____ My present billet was changed
D _____ My present station was changed
E _____ My promotion opportunities were less
F _____ My pay and allowances were less than I expect to get
G _____ My pay on retirement was less
H _____ Fringe benefits, such as, commissaries, and dependents medical care, etc. were decreased
I _____ I had less personal freedom and fewer social opportunities
J _____ I cannot have my dependents with me as such as I have had
K _____ My opportunities for travel and new experiences were less
L _____ Changes other than those above were made

B. Which of the above letters (C through K) do you consider the condition which would have the second most influence on your decision? Write the letter you select in the space below.

_____ is the second most influential condition.

C. Which of the above letters (C through K) do you consider the condition which would have the least influence on your decision? Write the letter you select in the space below.

_____ is the least influential condition.

12. If your total compensation (pay, allowances, and benefits) were increased how would you like to receive the increase?

(Select Only One Answer)

1 _____ In base pay
2 _____ In allowances (quarters, subsistence, etc.)
3 _____ In pay and allowances
4 _____ In special bonuses
5 _____ In a lump sum upon separation or retirement
6 _____ In more retired pay
7 _____ In fringe benefits (dependent medical care, commissaries, etc.)
8 _____ In pay, allowances, and special bonuses
9 _____ In pay, allowances, and lump sum for release or retirement
A _____ In pay, allowances, and fringe benefits
B _____ In pay, allowances, and retired pay
C _____ In some way or combination of ways not listed above.

13. Assume that there might be an increase of retirement compensation. If your compensation upon retirement from the Navy were increased, what kind of an increase would you prefer?

If I could choose, I would prefer an increase of:

1 _____ $100 per month increase in my pension
2 _____ $50 per month increase in my pension and $5,000 in a lump sum payment upon retirement
3 _____ No increase in pension, and a $10,000 lump sum payment upon retirement.

14. Where are your dependents now living?

1 _____ I have no dependents, therefore this question does not apply to me
My dependents (dependent) live:
2 _____ With me in quarters which are furnished by the government
3 _____ With me in quarters owned by me
4 _____ With me in rented quarters
5 _____ Away from me in quarters which are furnished by the government
6 _____ Away from me in quarters owned by me
7 _____ Away from me in rented quarters

15. Are you and your dependents satisfied with your present quarters?

1 _____ Yes
2 _____ No

16. Are you now drawing a basic allowance for quarters?

1 _____ Yes
2 _____ No

3 _____ I draw only part of my allowance
4 _____ I don't know

17. When do you plan to voluntarily retire from active military service?

1 _____ I do not intend to stay in the Navy until retirement

I intend to retire when I have completed the following number of years of Active Federal Military Service:

2 _____ 20 or more but less than 22
3 _____ 22 or more but less than 24
4 _____ 24 or more but less than 26
5 _____ 26 or more but less than 28
6 _____ 28 or more but less than 30
7 _____ 30 or more

18. How much do you think your annual income will be two years after you leave the Navy? (Do not include retired pay.)

1 _____ I do not expect to work

I expect to work and earn:
2 _____ Less than $2,000
3 _____ $2,000 to 2,499
4 _____ $2,500 to 2,999
5 _____ $3,000 to 3,599
6 _____ $3,500 to 3,999
7 _____ $4,000 to 4,499
8 _____ $4,500 to 4,999

9 _____ $5,000 to 5,999
A _____ $6,000 to 6,999
B _____ $7,000 to 7,999
C _____ $8,000 to 9,999
D _____ $10,000 to 14,999
E _____ $15,000 to 24,999
F _____ $25,000 and over

19. After leaving the Navy what do you think your annual income will be at the peak of your civilian career? (Do not include retired pay)

1 _____ I do not expect to work
I expect to work and earn:
2 _____ Less than $2,000
3 _____ $2,000 to 2,499
4 _____ $2,500 to 2,999
5 _____ $3,000 to 3,599
6 _____ $3,500 to 3,999
7 _____ $4,000 to 4,499
8 _____ $4,500 to 4,999

9 _____ $5,000 to 5,999
A _____ $6,000 to 6,999
B _____ $7,000 to 7,999
C _____ $8,000 to 9,999
D _____ $10,000 to 14,000
E _____ $15,000 to 24,999
F _____ $25,000 and over

20. During the past four weeks, on the average, how many hours per week did you spend working on military duties?

1 _____ During the past four weeks I was absent from my regular place of duty for more than two working days and the following choices do not apply to me.

The number of hours per week I worked on duty were:

2 _____ 40 or less hours
3 _____ 41 to 45 hours
4 _____ 46 to 50 hours
5 _____ 51 to 55 hours
6 _____ 56 to 60 hours
7 _____ 61 to 65 hours
8 _____ 66 to 70 hours
9 _____ 71 to 75 hours
A _____ Over 75 hours

21. Mark an "X" in the space that represents your total active federal commissioned service completed as of 15 May 1962:

1 _____ I am a warrant officer with no active Federal commissioned service, so this question does not apply to me
I have completed the following Active Federal commissioned service:

2 _____ Less than 1 year
3 _____ 1 year but less than 2
4 _____ 2 years but less than 3
5 _____ 3 years but less than 4
6 _____ 4 years but less than 5
7 _____ 5 years but less than 6
8 _____ 6 years but less than 7
9 _____ 7 years but less than 8

A _____ 8 years but less than 9
B _____ 9 years but less than 10
C _____ 10 years but less than 11
D _____ 11 years but less than 12

E _____ 12 years but less than 13
F _____ 13 years but less than 14
G _____ 14 years but less than 15
H _____ 15 years but less than 16

I _____ 16 years but less than 17
J _____ 17 years but less than 18
K _____ 18 years but less than 19
L _____ 19 years but less than 20
M _____ 20 years but less than 21
N _____ 21 years but less than 22
O _____ 22 years but less than 23
P _____ 23 years or more

Answer only that part of the following question which applies to you according to the last digit in your service number

Only personnel with Service Number ending in 0 or 1 answer 21A.

22A. Assume that a general increase in pay and allowances could be made, for all pay grades, would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $50 per month for your present pay grade.

1 _____ Yes

2 _____ No

Only personnel with Service Number ending in 2 or 3 answer 21 B.

22B. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $100 per month for your present pay grade?

1 _____ Yes
2 _____ No

Only personnel with Service Number ending in 4 or 5 answer 22C.

22C. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $200 per month for your present pay grade?

1 _____ Yes
2 _____ No

Only personnel with Service Number ending in 6 or 7 answer 22D.

22D. Assume that a general increase in pay and allowances could be made, for all pay grades; would you stay in the Navy or consider it an incentive for others to stay in the Navy if the increase were $300 per month for your present pay grade?

1 _____ Yes
2 _____ No

Only personnel with Service Number ending in 8 or 9 answer 22E.

22E. Assume that a general increase in pay and allowances could be made, for all pay grades; for what increase in dollars per month for your present pay grade, would you stay in the Navy or consider it an incentive for others to stay in the Navy?

1 _____ $50 per month
2 _____ $100 per month
3 _____ $200 per month
4 _____ $300 per month

23. Are you Regular or Reserve?

1 _____ Regular
2 _____ Reserve

23A. What is your designator?

_____

24. What is your present rank?

1 _____ Ensign
2 _____ Lt JG
3 _____ Lt
4 _____ Lt CDR
5 _____ CDR
6 _____ CAPT

25. What are your plans for your Navy career?

1 _____ I prefer to remain on active duty indefinitely or until retirement
2 _____ I prefer to remain on active duty only until I complete my present commitment
3 _____ I would prefer to separate immediately
4 _____ I am undecided

26. When you first entered the Navy what were your Navy career plans?

1 _____ Intended to make the Navy my career
2 _____ Intended to stay in the Navy a while longer than my obligated tour
3 _____ Intended to serve a minimum tour (or wartime duration plus 6 months)
4 _____ Hadn't thought about it
5 _____ Was undecided and waited to see how well I would like the Navy

27. Are you presently enrolled in an off-duty education program leading to a graduate college degree with an accredited civilian institution?

1 _____ No

Yes, and have completed:

2 _____ Less than 15 semester hours
3 _____ 16 - 29 semester hours
4 _____ 30 - 44 semester hours
5 _____ 45 - 59
6 _____ 60 - 74
7 _____ 75 - 89 semester hours
8 _____ 90 - 104
9 _____ 105 - 119
A _____ 120 - 134
B _____ 135 and over

28. How does your immediate family feel about your making a career in the Navy?

1 _____ Like it very much
2 _____ Like it

3 _____ Neutral
4 _____ Dislike it

5 _____ Dislike it very much
6 _____ Don't know

29. When was your initial entry on active duty as a commissioned officer?

1 _____ Never served as a commissioned officer

2 _____	Before July 1947	A _____	Jul 54 - Jun 55
3 _____	Jul 47 - Jun 48	B _____	Jul 55 - Jun 56
4 _____	Jul 48 - Jun 49	C _____	Jul 56 - Jun 57
5 _____	Jul 49 - Jun 50	D _____	Jul 57 - Jun 58
6 _____	Jul 50 - Jun 51	E _____	Jul 58 - Jun 59
7 _____	Jul 51 - Jun 52	F _____	Jul 59 - Jun 60
8 _____	Jul 52 - Jun 53	G _____	Jul 60 - Jun 61
9 _____	Jul 53 - Jun 54	H _____	After June 1961

30. What is your highest level of education now? (Count GFD credit which has been accepted by a college, if any)

1 _____ Less than high school graduate
2 _____ High school graduate

3 _____ Less than two years college
4 _____ Registered Nurse diploma
5 _____ Two years or more of college, no bachelor degree

6 _____ College degree (BS, BA or equivalent, except LL.B)
7 _____ Law degree (LL.B)
8 _____ Postgraduate work beyond bachelor degree

9 _____ Master's degree
A _____ Doctorate degree
B _____ Medical or dental degrees (MD, DDS, Vet'n, etc.)

31. Through which of the following officer procurement programs did you receive your commission?

1 _____ Naval Academy
2 _____ Naval Aviation Cadet
3 _____ NROTC (Regular)
4 _____ NROTC (Contract)
5 _____ POC
6 _____ OCS
7 _____ Direct procurement
8 _____ Program other than listed above

32. Would an opportunity to obtain a graduate education at Navy expense cause you to more favorably consider a regular Navy commission?

1 _____ Now hold a regular commission
2 _____ Yes, it certainly would
3 _____ Yes, it probably would
4 _____ Undecided
5 _____ No, it probably would not
6 _____ No, it certainly would not

33. How old were you on your last birthday?

1	_____	21 years or less	J	_____	39 years old
2	_____	22 years old	K	_____	40
3	_____	23	L	_____	41
4	_____	24	M	_____	42
5	_____	25	N	_____	43
6	_____	26	O	_____	44
7	_____	27	P	_____	45
8	_____	28	Q	_____	46
9	_____	29	R	_____	47
A	_____	30	S	_____	48
B	_____	31	T	_____	49
C	_____	32	U	_____	50
D	_____	33	V	_____	51
E	_____	34	W	_____	52
F	_____	35	X	_____	53
G	_____	36	Y	_____	54
H	_____	37	Z	_____	55 or older
I	_____	38			

34. How many months of active federal military service do you have in your present grade level?

1	_____	Less than 4 months
2	_____	4 thru 7 months
3	_____	8 thru 12 months
4	_____	13 thru 17 months
5	_____	18 thru 23
6	_____	24 thru 29
7	_____	30 thru 35
8	_____	36 thru 41
9	_____	42 thru 47
A	_____	48 thru 53
B	_____	54 thru 59
C	_____	60 thru 65
D	_____	66 thru 71
E	_____	72 thru 77
F	_____	78 thru 83
G	_____	84 thru 89
H	_____	90 thru 95
I	_____	96 or more months

35. Marital status and dependents.

Male and:

Married, having:

1 _____ Wife and no dependent children
2 _____ Wife and 1 dependent child
3 _____ Wife and 2 dependent children
4 _____ Wife and 3 dependent children
5 _____ Wife and 4 dependent children
6 _____ Wife and 5 dependent children
7 _____ Wife and 6 dependent children
8 _____ Wife and 7 or more dependent children

Not married, (widowed, divorced, legally separated or never married) having:

9 _____ No dependents
A _____ One dependent
B _____ Two dependents
C _____ Three or more dependents

Female and:

D _____ Not married (widowed, divorced, legally separated or never married)

Married and my husband is:

E _____ A Navy officer or warrant officer
F _____ A Navy enlisted man
G _____ A member of the Army, Air Force, or Marine Corps
H _____ A civilian

36. How many dependents do you have? (Include wife, dependent children, adopted or stepchildren, parents, step-parents and other adults. Do not include yourself.)

0 _____ None
1 _____ One
2 _____ Two
3 _____ Three
4 _____ Four
5 _____ Five
6 _____ Six
7 _____ Seven
8 _____ Eight
9 _____ Nine or more

37. How many dependents do you have of the following types?

A. Dependent children
(Unmarried children including stepchildren and adopted children)

0 _____ None
1 _____ One
2 _____ Two
3 _____ Three
4 _____ Four
5 _____ Five
6 _____ Six
7 _____ Seven
8 _____ Eight or more

B. Dependent parents
(Include step-parents or parents by adoption)

0 _____ None
1 _____ One
2 _____ Two
3 _____ Three
4 _____ Four or more

C. Wife and other dependent adults
(Include any other dependent person related to you by blood, marriage, or adoption)

0 _____ None
1 _____ One
2 _____ Two
3 _____ Three
4 _____ Four or more

38. How many years of active federal military service have you completed? (Include all active enlisted, warrant and commissioned service on all tours.)

1 _____ Less than 1 year
2 _____ 1 year
3 _____ 2 years
4 _____ 3 years

5 _____ 4 years
6 _____ 5 years
7 _____ 6 years
8 _____ 7 years

9 _____ 8 years
A _____ 9 years
B _____ 10 years
C _____ 11 years

D _____ 12 years
E _____ 13 years
F _____ 14 years

H _____ 16 years
I _____ 17 years
J _____ 18 years
K _____ 19 years

L _____ 20 years
M _____ 21 years
N _____ 22 years
O _____ 23 years

P _____ 24 years
Q _____ 25 years
R _____ 26 years
S _____ 27 years

T _____ 28 years
U _____ 29 years
V _____ 30 years and over

39. What is your file number? (For statistical control purposes only.)

_____

OFFICER PERSONNEL QUESTIONNAIRE

Item	Card Column
Question 1	1
" 2	2
" 3	3
" 4	4
" 5	5
" 6	6
" 7	7
" 8	8
" 9	9
" 10	10
" 10B	11
" 10C	12
" 11	13
" 11B	14
" 11C	15
" 12	16
" 13	17
" 14	18
" 15	19
" 16	20
" 17	21
" 18	22
" 19	23
" 20	24
" 21	25
" 22A	26
" 22B	26
" 22C	26
" 22D	26
" 22E	26
" 23	27
" 23A	28-31
" 24	32
" 25	33
" 26	34
" 27	35
" 28	36
" 29	37
" 30	38
" 31	39
" 32	40
" 33	41
" 34	43
" 35	44
" 36	45
" 37A	46
" 37B	47
" 37C	48
" 38	49
" 39	51-56
" Converted Coded Designator	58
" Converted Column 26	59
Blank	50,57,60-77
Lant, PAC, or Conus as Appropriate	78
Punch an Alpha "O" (officer)	79
Punch a "N"	80

APPENDIX B

CONSUMER PRICE INDEX*

1957 - 59 = 100

1899 - 29.0	1921 - 62.3	1943 - 60.3
1900 - 29	1922 - 58.4	1944 - 61.3
1901 - 29	1923 - 59.4	1945 - 62.7
1902 - 30	1924 - 59.6	1946 - 68.0
1903 - 31	1925 - 61.1	1947 - 77.8
1904 - 31	1926 - 61.6	1948 - 83.8
1905 - 31	1927 - 60.5	1949 - 83.0
1906 - 32	1928 - 59.7	1950 - 83.8
1907 - 33	1929 - 59.7	1951 - 90.5
1908 - 32	1930 - 58.2	1952 - 92.5
1909 - 32	1931 - 53.0	1953 - 93.2
1910 - 33	1932 - 47.6	1954 - 93.6
1911 - 33	1933 - 45.1	1955 - 93.3
1912 - 34	1934 - 46.6	1956 - 94.7
1913 - 34.5	1935 - 47.8	1957 - 98.0
1914 - 35.0	1936 - 48.3	1958 -100.7
1915 - 35.4	1937 - 50.0	1959 -101.5
1916 - 38.0	1938 - 49.1	1960 -103.1
1917 - 44.7	1939 - 48.4	1961 -104.2
1918 - 52.4	1940 - 48.8	1962 -105.4
1919 - 60.3	1941 - 51.3	
1920 - 69.8	1942 - 56.8	

* Bureau of Labor Statistics: 1899-1913 Table 2, 1913 1963, Series A.

APPENDIX C

	Positive Yes to: $50 vs $100		Negative No to: $50 vs $100		Careerists Yes vs No to Dollars		Non-Careerists Yes vs No to Dollars	
	SET I		SET II		SET III		SET IV	
	AI : AIII / BI : BIII		AII : AIII / BII : BIV		AI : AIII / AII: AIV		BI : BIII / BII: BIV	
Rank	Career: Item No.	Non-C. Level of Significance	Career: Item No.	Non-C. Level of Significance	Career Item No.	Level of Signif-icance	Non-Career Item No.	Level of Signif-icance
1	19	38.38	8	4.99	4	65.40	9	61.06
2	7	7.09	25	4.88	25	63.40	26	52.04
3	5	3.87	17	4.81	17	62.27	3	50.00
4	24	3.81	18	3.87	32	61.79	24	40.30
5	13	2.13	28	3.63	23	61.03	28	37.20
6	8	2.07	7	1.70	7	53.80	15	27.42
7	26	1.86	23	1.43	15	52.30	5	26.80
8	30	1.85	5	1.13	8	48.73	7	25.09
9	17	1.53	6	1.11	28	48.40	1	24.80
10	9	1.13	30	0.82	5	47.30	25	20.87
11	28	0.79	2	0.53	24	42.50	6	19.45
12	18	0.73	3	0.51	30	40.60	32	19.43
13	1	0.52	9	0.50	18	37.4	23	19.00
14	3	0.516	19	0.41	26	25.78	17	18.20
15	6	0.377	1	0.38	13	11.64	13	17.86
@								
16	15	0.127	4	0.19	3	11.10	2	16.50
17	4	0.058	32	0.15	9	10.70	4	14.90
18	32	0.03	15	0.11	6	5.30	19	8.76
19	23	0.02	24	0.06	2	2.50	8	3.11
20	25	0.0004	26	0.02	19	.60	18	.82
21	2	0.0001	13	0.004	1	.56	30	.65

* Items above double line - are very significantly different.
@Items below single line - are very significantly the same.

APPENDIX D

COLUMN _____ DECK _____

Sort all ca rds for Alpha and Numberic punchs

1		D		P	
2		E		Q	
3		F		R	
4		G		S	
5		H		T	
6		I		U	
7		J		V	
8		K		W	
9		L		X	
A		M		Y	
B		N		Z	
C		O		Unknowns	
				Total Less Unknowns	

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